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NEWS SUMMARY

GENERAL

Owen to meet Nkomo Mugabe

Dr. David Owen, Foreign Secretary, is to meet Mr. Joshua Nkomo and Mr. Robert Mugabe, the Patriotic Front leaders, in London on Monday.

The meeting is part of the Anglo-U.S. attempt to promote a conference of all Rhodesian black nationalist leaders in the hope of obtaining a lasting settlement.

A white farmer was killed by black nationalist guerillas 30 miles east of Salisbury. Page 2

Trapped mini-sub pair rescued

Two men who had been trapped for nearly 24 hours in the mini-sub, PC9, at a depth of 355 feet while working at a North Sea well head in Block Three, Oilfield 29, 70 miles east of Lerwick, Shetlands, were rescued yesterday morning.

Turin shooting

Urban guerillas shot dead one of Turin's best known anti-terrorist police officers in an attempt to stop the Red Brigades guerilla trial there. In Madrid, a policeman was shot dead and another wounded by three people who fired on them from a car.

Radiation scare

British Nuclear Fuels said that a fitter had been temporarily withdrawn from work in radio-active areas at the Windscale and Calder works pending investigation of a possible radiation dose in excess of prescribed limits. Man Of The Week, Back Page

£150,000 award

A 13-year-old Chalfont St. Giles Bucks, schoolgirl who went into hospital for a minor cosmetic operation and ended up with her life wrecked by brain damage was awarded £150,000 agreed damages in the High Court—a record amount for a child.

Electricity up

Electricity prices in most parts of Britain are to go up on average by at least 5 per cent. on April 1. Page 4

Bessell pledge

Mr. Peter Bessell, former Liberal MP, said in California after five days of talks with Scotland Yard detectives, that he was willing to return to give evidence in the event of a murder conspiracy trial.

Down to earth

Capt. Vladimir Remek, the Czech cosmonaut, returned to earth with his Soviet crewmate, Col. Alexei Gubarev, in northern Kazakhstan after spending a week aboard the space station Salyut-6.

Tito at Palace

President Tito of Yugoslavia dined with the Queen at Buckingham Palace last night.

Family drowns

An Asian mother threw her three children into the Thames at Windsor and then jumped after them. All four were drowned. Earlier, she had left her home after an incident in which her husband was showered with a pan of boiling fat.

Waldman dies

Ronnie Waldman, former head of light entertainment at the BBC and best known for his radio feature, Monday Night at Eight, has died in London. He was 63.

Briefly . . .

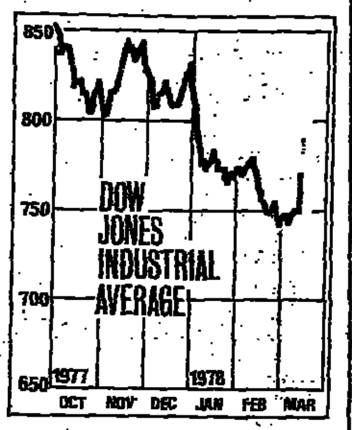
Gordonstoun School has appointed Mr. Michael B. Mavor, 31, of Tonbridge School, as headmaster.

Bessie Bead, licensee of Ye Olde White Lion at Bradninch, Devon, celebrates her 100th birthday to-day.

BUSINESS

Dow up 8.5 in heavy trading

● WALL STREET rose sharply in one of the year's heaviest trading sessions, and the Dow Jones index closed 8.58 up at 758.58. Analysts attributed the rise to the strengthening of the dollar and hopes of U.S.-German talks.



● EQUITIES were firm, apart from sharp reaction in gold shares to U.S.-German talks. The FT Ordinary Index closed 8.5 up at 459.0, making a rise over the week of 22.8, its best week's rise for four months.

● GILTS reflected confidence over the money supply and the public sector borrowing requirements and the Government Securities Index closed 0.03 up at 75.66.

● DOLLAR rose sharply and its trade-weighted depreciation narrowed to 4.76 per cent. (5.18). STERLING fell 2.45 cents to $1.9025, after touching a low of $1.9000, its index falling to 64.8 (65.1).

● GOLD fell $2¼ to $186¼.

● COMMONS Expenditure Committee has criticised the Government for failing to provide an adequate assessment of medium term economic prospects and for making false economies in some of its capital spending cuts. Back and Page 3

● BUILDING SOCIETIES have agreed to cut their lending by £70m. a month from April, after Government pressure to restrict the level of home loans. Back Page

● GLASGOW Corporation is to repay a $200m. Eurodollar loan from the IMF next month, bringing Britain's early repayments of overseas borrowing to about $2bn. Back Page

Japanese action on Airbus deal

● TOKYO government will decide to-day on measures to help the Japanese airlines purchase the A300 European Airbus, possibly involving financing and route allocation and a plan for Japan to lease Airbuses to other South-East Asian airlines. Back Page

● DEPARTMENT of Employment is pressing forward with its system of fortnightly unemployment payments, in spite of the threat of industrial action by some civil servants. Page 4

● LARGEST of the civil service unions, the Civil and Public Services Association is not to press for wage increases between 14 per cent. and 24 per cent. for 190,000 members. Page 4

● ARGYLL FIELD partners have belatedly signed a participation agreement providing BNOC with the right to buy 51 per cent. of the field's output. Page 4

● CBI director-general, Sir John Methven, has forecast a brighter future for British industry and an increase of 4 per cent. in consumer spending by June. Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Assd. P. Cement	240	+ 5
BATs Dfd.	288	+ 6
Beecham	612	+ 14
Berkeley Hambro	103	+ 6
Boots	207	+ 8
De La Rue	265	+ 17
Finlay (J.)	280	+ 10
Grand Met.	100	+ 4
GUS A	286	+ 12
Guardian Royal Ex.	230	+ 10
Harrison (T. C.)	103	+ 10
Hawker Siddeley	190	+ 6
Matock Johnsen	138	+ 10
ICI	344	+ 8
Kleinwort Benson	100	+ 6
MK Electric	156	+ 6
Northern Engineering	93	+ 8
Ocean Wilsons	78	+ 4
RFD	56	+ 5½
Reynolds (W. J.)	37½	+ 4½
Robertson Foods	132	+ 6
Scottish Metropolitan	109	+ 6
Sedgwick Forbes	375	+ 8
Sime Darby	109	+ 5
Thomson Org.	185	+ 7
Trust Houses Forte	189	+ 6
Wagon Finance	95	+ 3
Wigfall (H.)	218	+ 8
BP	740	+ 14
Oil Exploration	200	+ 12
Lydenburg	73	+ 6
RTZ	175	+ 5

FALLS

Free State Geduld	£16¾	− ⅝
Kinross	364	− 14
Libanon	510	− 31
Loraine	98	− 12
Marievale	73	− 5
South African Land	41	− 5
Welkom	266	− 26
Wit. Nigel	45	− 5

GEC will close Liverpool plant after lost order

BY RHYS DAVID, NORTHERN CORRESPONDENT

Liverpool's economy was delivered another major blow yesterday with the announcement that the General Electric Company is to close its plant in the city making electric cookers with a loss of 670 jobs.

The closure, details of which were given to the seven unions involved by Mr. Martin Jay, managing director of the group subsidiary, English Electric Consumer Products, follows the loss of a major contract from the area electricity Boards which has represented the bulk of work at the factory for the past few years. Closure is likely to take place after the usual three months' consultation period with unions.

The move, coming on top of the decision by British Leyland to shut its Speke plant and by Birds Eye to sack 1,200 workers at Kirkby, means that Merseyside, where 90,000 people are out of work, has lost a further 5,000 jobs in the past four weeks.

The closure also means that GEC, which had as much as 25 per cent. of U.K. electric cooker sales when it merged with AEI and English Electric in the 1960s, will be completely out of the cooker market—which in recent years has been particularly depressed.

After expanding in 1973 to a peak of 830,000, sales of electric cookers have declined each year since to a total last year of 565,000 and improvement is not expected this year. Sales of gas cookers which share the market 50—50 with electric also have fallen because of the recession but there has been some switching by consumers to gas because of low fuel prices and to a lesser extent because of fears of electricity power cuts.

The electricity boards, which supply about 70 per cent. of electric cookers bought in the U.K., have felt the effect of reduced consumer demand but this is thought to be only partly the reason for their decision not to renew the contract with English Electric to produce the boards' Electra brand of cookers.

The company has made big efforts to improve the performance of the plant which has accumulated total losses of £6m. in the past three years. In a statement to employees yesterday it said considerable success had been achieved. Changes have been made in the piecework payment system and in production control, and a big reorganisation has taken place on the shop floor and in the warehouse area.

The electricity boards' contract accounted in 1976 for about 55,000 out of the plant's total sales of 63,000 cookers and considerable efforts have been made by the company and by local MPs to secure renewal. The electricity boards, however, clearly have decided that, in the depressed state of the market and with delivery from English Electric proving unreliable in the past, they can do better by stepping up their purchases across-the-board from all suppliers.

The main unions involved reacted with strong criticism of the company's management of the plant and the marketing of products. Mr. Eddie Roberts, district organiser of the Transport and General Workers' Union, said the unions had co-operated fully in changes introduced by the company and had had to contend with constantly changing management personnel.

He expressed concern that the closure of the cooker plant could have a long-term effect on the viability of other operations on the site. GEC makes fuse gear and distribution equipment in other plants employing 2,300

● The Liverpool-based Booth Concrete is to close down its Merseyside operation and about 100 jobs will be lost. Government cuts in spending are blamed. About 160 outfitting trade workers at Cammell Laird, Birkenhead shipbuilder, are being made redundant in May because work on a guided missile destroyer is nearing completion.

News Analysis, Page 4

Giscard agrees to make TV appeal

BY DAVID CURRY

PARIS, March 10.

PRESIDENT Giscard d'Estaing has bowed to intense pressure from the parties of the centre and right to intervene at the last minute in the French general election campaign.

He is to make a televised address on Saturday evening. The official campaign closes at midnight to-night so there will be no chance of riposte from the Left to his appeal to voters to make "the right choice."

The President's only previous direct appeal was at the end of January when he made it quite clear that he saw the election as a choice between a liberal, reforming democracy pursuing economic recovery and social progress (the existing coalition) and an economically disastrous and socially divisive rush into a collective State (the Left).

This speech, with his emphasis that he had no constitutional power to prevent a Left-wing government carrying out its programme, pleased his political allies but was criticised as being too intellectual to impress the ordinary voter.

The Gaullists have been pressing him to repeat the sort of "me or chaos" warnings issued by General de Gaulle, but the President is unlikely to make such a partisan appeal for a conservative vote.

He will be speaking with the knowledge that it is almost certain that, in the first round of voting on Sunday, the Socialists and Communists will win a numerical majority. Most polls put them around six points ahead, with some 51 per cent. of the vote.

His main purpose will be to try to influence the re-thinking that will go on in the week between the first and second round. If the first round is basically a referendum between candidates, only a handful will get the necessary 50 per cent. of the vote to be elected to a seat immediately. The real battle will come in the second round.

In this round, the only candidates are those who have polled at least 12½ per cent. of the eligible vote in round one, which means 15 or 16 per cent. of the actual vote.

The Gaullists and centrists have agreed that, in the second round, they will throw their vote behind whichever of their candidates did best in the first, thus permitting a united challenge to the Left.

The big question mark is whether the Socialists and Communists will reach a similar accord.

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Left turn or as you were, Page 14

EEC to push ahead on oil refinery cuts

BY GUY DE JONQUIERES

BRUSSELS, March 10.

THE BRUSSELS Commission has decided to press ahead immediately with the main elements of its programme to secure a co-ordinated reduction of oil refinery capacity in the EEC in spite of its failure, so far, to obtain the backing of Britain and other Common Market governments for the scheme.

The moves seems certain to prompt a strong reaction from Mr. Anthony Wedgwood Benn, Energy Secretary, who has been cool towards the Commission's proposals.

He has been insisting that no decision could be taken until after he had completed his own consultations on the refinery sector with oil companies and unions in the U.K.

The Commission had planned to ask EEC Energy Ministers to give their formal blessing to the project at a meeting planned for March 21. In the light of continuing differences between Governments, however, the Danes—who at present hold the presidency of the Council of Ministers—have concluded that no useful purpose would be served by holding the meeting then and have postponed it until May 30.

Dr. Guido Brunner, the Energy Commissioner, is understood to feel strongly that further delays would lead to serious, additional problems for the refinery sector. He is confident that the Commission can put much of its programme into effect by relying on consultations with the oil companies to secure agreement on voluntary measures.

This morning, Dr. Brunner met representatives of about 20 oil companies operating in the EEC, together with several industry associations. Their response to his proposals was mixed.

A particularly tough attitude was taken by the big American groups, which were concerned that their participation could give rise to legal objections from the U.S. anti-trust authorities.

Both British Petroleum and the British National Oil Corporation are understood to have remained largely non-committal, although Shell showed some interest.

The strongest support came from the medium-sized Continental-based companies and smaller independent operators.

The Commission intends to ask the companies shortly for information on their 1978 refining programmes. It will use this to draw up voluntary guidelines for ensuring that total refinery throughput in the EEC this year does not exceed last year's levels by more than 2 per cent.

The Commission also wants to encourage consultation between the companies on how best to organise the closure of further excess refinery capacity. It is estimated in Brussels that about 82m. tonnes of capacity has already been closed over the past year, but that a further 60m. tonnes will have to be shut down by 1981-82.

The Commission could not force companies to make such closures—and some Government officials in Brussels were this evening questioning whether it had the authority even to call meetings of oil company representatives to discuss such measures. The Commission has said, however, that it will con-

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FEATURES

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Ethiopia dampens hopes of peace in Ogaden

ETHIOPIA yesterday dampened hopes that Somalia's announcement of troop withdrawals from the disputed Ogaden region would bring a swift end to the conflict in the Horn of Africa. The Soviet-backed regime issued a statement from its embassies in Rome and London that Somalia would have to renounce all territorial claims in the region before ceasefire talks could start.

The statement insisted on Ethiopia's right to seek foreign help to safeguard its territorial integrity—a reference to the estimated 10,000 Cuban troops and 1,000 Soviet military advisers believed to be leading the Ethiopian offensive in the Ogaden. Somalia lays claim to the Somali-populated area of the Ogaden as well as part of Kenya.

Somalis rely on Soviet influence

BY JAMES BUXTON

MOGADISHU, March 10.

DIPLOMATS here said that the Somali statement on a "proposal by the big powers" to settle the crisis in the Horn of Africa suggested a greater degree of concerted action by the big powers than has previously been reported.

From the Somali point of view, the Soviet Union is likely to be the more influential power in trying to obtain acceptance by Ethiopia of the right to self-determination for the predominantly Somali people of the Ogaden.

Last week's visit by President Siad Barre of Somali to Libya for three days of talks with President Gaddafy, and his meeting this week with a senior envoy of the Algerian Government, may have been concerned with Moscow's settlement proposals.

In spite of diplomatic pressure to withdraw its regular forces from the Ogaden Somalia kept them there at least until the beginning of this week, when they lost the key town of Jijiga to troops spearheaded by Cubans.

Withdrawal may have started soon after, but it took five days of discussion by the Government before the relatively moderate statement announcing the withdrawal was released. It made no mention of a ceasefire for the guerillas of the Western Somalia Liberation Front. It remains to be seen if the guerillas will be ordered to cease firing and if they will accept such an order.

Jurek Martin reports from Washington: Senior Carter Administration officials concede there is no guarantee that the Soviet and Cuban presence in Ethiopia will be withdrawn soon.

The uncertainty about what might happen next in the Horn of Africa is tempering the satisfaction which U.S. has gained from its diplomatic efforts to persuade Somalia to withdraw from the Ogaden territory.

The only assurance the U.S. has received from both Ethiopia and Russia is that Somali territory will not be infringed. It is not known if the Ethiopian, Soviet and Cuban forces will make the Somali retreat easier, particularly if President Siad Barre should seek to draw a distinction between his regular forces and those of the Western Somalia Liberation Front.

Even if the Ogaden withdrawal is speedy and no fighting occurs, there remains the strong possibility that Soviet and Cuban forces will be diverted to assist the revolutionary government in Addis Ababa in its struggle against the secessionist Eritrean guerillas in the north-east of the country.

In the U.S. view, the ball is now very much in the Russian court. In the last week, U.S. officials have warned that Russian activity in the Horn of Africa could affect other U.S. Soviet negotiations, most significantly the strategic arms limitation talks. But they have simultaneously denied that the old policy of "linkage" was being revived.

Pound falls as Schmidt boosts $

BY MICHAEL BLANDEN

THE POUND fell by nearly 2½ cents against the U.S. dollar last night on a bout of fairly heavy selling from New York.

The Bank of England may have intervened to support sterling as it dropped to end 2.45 cents down at $1.9025, with its trade-weighted index falling from 65.1 to 64.8.

The dollar recovered generally in foreign exchange markets, helped by the reassuring comments by Chancellor Schmidt on relations with the U.S. and the expectation that new moves to calm the market could follow talks this week-end between senior U.S. and German government officials on the present state of the market.

The U.S. currency picked up to DM2.0575 compared with DM2.0302½, and gained against the French franc, which has been suffering from nerves ahead of the election.

With trading very thin in the afternoon, however the dollar slipped against the Swiss franc to Sw.Frs.1.95, after touching a best level of Sw.Frs.2.0025.

Mary Campbell writes: Dealers ran for cover yesterday in all international financial markets in advance of hopes of a joint announcement from Washington and Bonn.

Despite Thursday night's announcement of a heavy volume of dollar denominated international bond issues, prices of dollar bonds in the secondary market continued to strengthen as dealers bought bonds to ensure they were not caught short if there is a sharp rise in the dollar on the foreign exchange markets next week.

The trends in Eurocurrency interest rates in the last ten days would suggest that the

U.S. meeting confirmed, Page 2
Schmidt-Callaghan talks, Back Page

Swiss curbs on inflows of funds announced at the end of last month are causing some switching from Swiss francs into other currencies. Rates on Euro-Swiss francs (Swiss franc deposits with banks outside Switzerland) have risen by between a quarter and half a point since before the measures were announced.

Given the low levels of interest rates on Swiss francs this means that some rates are more than double the levels of two weeks ago.

Conversely, Eurodollar interest rates have fallen by about an eighth of a point in the same period.

Other things being equal, any switch out of Swiss francs is likely to be complete by April 1, when the extension of the 40 per cent. per annum negative interest rate on Swiss franc deposits in Switzerland takes effect.

Dealers in the international bond and foreign exchange markets were yesterday taking the view that any week-end agreement between the U.S. and Germany would have to contain some powerful measure if it were not to backfire through lack of credibility.

Views on what would be considered sufficiently powerful varied from dealer to dealer: there have been widespread reports that the U.S. may be considering reimposing the controls on capital outflows which were lifted in 1974, perhaps in combination with controls on capital inflows.

Further foreign borrowing by the U.S. authorities, perhaps even including a non-dollar component, is widely expected.

£ in New York

—	March 10	Previous
Spot	$1.8950-1.8960	$1.8240-1.8256
1 month	0.05-0.09 prem	0.01 dis-0.04 pm
3 months	0.14-0.08 dis	0.12-0.07 dis
12 months	0.35-0.75 dis	0.90-0.70 dis

OVERSEAS NEWS

WEST GERMANY

Top U.S. talks on dollar confirmed

BY ADRIAN DICKS

BONN, March 10.

THE WEST GERMAN Government confirmed to-day that talks at top official level would be continued with the U.S. this weekend on ways of bringing the dollar crisis under better control. But the Geermans are trying to dampen expectations of any specific results from the consultations, as well as to emphasise that they are part of a continuous process, rather than any radical new departure.

There was some puzzlement in official circles here at President Carter's announcement in his Press conference yesterday of a direct meeting between German and U.S. international monetary experts. But it was confirmed that Herr Manfred Lahnstein, State Secretary at the Bonn Finance Ministry, and his opposite number in the U.S. Treasury, Mr. Anthony Solomon, would confer on the telephone, with the possibility being left open here to-day that they might announce agreement on new ways to co-ordinate foreign exchange market intervention operations.

German officials were at pains to stress that they do not regard it as likely that any such agreement will be announced before the beginning of next week.

Dr. Armin Gruenewald, the government spokesman, declined to give details of measures that might be under discussion. He confirmed, however, that Chancellor Helmut Schmidt had, in his telephone conversation with President Jimmy Carter yesterday, referred to West Germany's real Gross National Product as having grown by 6 per cent. in the last quarter of 1977. The Chancellor was expressing as an annual rate of growth the 1.5 per cent. increase from third-quarter to fourth quarter 1977 already noted by official German statistics, rather than bringing any new fact to light.

Meanwhile, the dollar recovered on the Frankfurt foreign exchange market apparently on the strength of the commitment to further co-operation made by Herr Schmidt and endorsed by Mr. Carter yesterday. In quiet dealings, the dollar rose from DM2.0302 on Thursday to DM2.0585—a gain in two days' trading of over 5 pfennigs. The Bundesbank was once again absent from the market, while continuing uncertainty over the German engineering industry's pay negotiations seems to have played some part in holding the D-Mark down.

Fresh move to avert metalworkers' strike

BY JONATHAN CARR

BONN, March 10.

FRESH EFFORTS were underway to-day to head off a highly damaging strike in the West German metalworking industry and to end one in the printing trade.

With a strike in one key metalworking region set to start next Wednesday, the key union and employers have agreed to meet to-morrow to try to settle their differences—primarily over wage increases for this year.

At the same time the printers' union said it was ready to meet employers to try to settle a quite separate dispute which involves introduction of new technology in the industry. It agreed that Herr Josef Stingly, President of the Federal Labour Office, should act as mediator.

The talks in the metalworking dispute are widely seen as the last chance to avert a strike, almost certainly answered by a lock-out by the employers, in North Wuerttemberg - North Baden.

Authorisation for a strike there was given yesterday by the national executive of the union, IG Metall. But the union did not simultaneously authorise industrial action in the other major metalworking region, North Rhine-Westphalia, which includes the Ruhr industrial area.

This decision to move at present only in one region was taken partly because action in both would cost the union too much in strike pay. Almost half West Germany's 4m. metalworkers are employed in the two regions.

But the union's stand has also been seen as a gesture of moderation at the eleventh hour—and has been interpreted as such by the employers. Such a gesture was needed since both initial negotiation and mediation efforts had failed, and a union ballot in both regions this week showed an overwhelming majority in favour of a strike.

Neither side has made a new offer so the gulf between the two officially remains as wide as ever.

Orders served on miners

BY STEWART FLEMING

NEW YORK, March 10.

UNION AND management negotiating teams sat down together once again in Washington this morning to try to resolve the 95-day-old U.S. coal strike. Meanwhile in remote districts of Appalachia, federal marshals were busy serving back-to-work orders. In all, 810 unions locals and 816 coal companies have to be served with the order.

The order, granted to the Carter Administration, requires miners to return to work for up to 80 days while negotiations continue. But it will be Monday at the earliest before there are indications of whether the miners will defy the court, as many are threatening.

It will take some time for all the orders to be served and for mine safety committees to clear underground facilities for opening. While attempts to block a return to work by, for example, picketing are illegal and can be punished with fines, miners who simply stay at home claiming to be "sick" cannot be coerced.

Both negotiating teams are under pressure. The coal companies cannot be sanguine about the prospect of resentful mine workers returning to pits to operate expensive machinery and many of them are no more anxious to see a breakdown in national bargaining and a reversion to local agreements than the union is.

ROBERT MAUTHNER profiles M. Francois Mitterrand, French Socialist leader and born survivor

The man most likely to

M. Francois Mitterrand

IF THE LEFT wins the French general election next week, the man most likely to be appointed as the new Prime Minister is M. Francois Mitterrand, the 61-year-old Socialist leader and one of the most complex and contradictory political figures the country has produced since the Second World War.

M. Mitterrand's personal popularity can hardly be said to match that of his Party which, in the space of a few years, has become the most powerful political force in France. A survivor extraordinary—he served in as many as 11 Fourth Republic governments of different hues and has run twice for the presidency—M. Mitterrand still suffers from a lingering reputation for inconsistency and has made a large number of political enemies, both on the Right and the Left.

Though he inspires great loyalty in those closest to him, he does little to court the public's affection. Not for him President Giscard d'Estaing's easy, aristocratic charm or the rumbustious antics of M. Georges Marchais, the Communist leader, which have made these two men into such successful TV performers.

Sensitive and reserved, M. Mitterrand clearly despises such facile effects and relies on caustic wit to destroy his opponents and questioners on TV. The audience may admire his debating technique, but is often put off by the aloof and unsmiling manner.

Where the Socialist leader really comes into his own is at public meetings or during parliamentary debates, when he can feel his listeners vibrating like a tuning fork to his oratory. Once he has warmed up, M. Mitterrand is among the best public speakers in the land, but he is then usually playing to limited audiences.

The trouble with M. Mitterrand—and this may explain why so many people still distrust him—is that no one can ever be quite sure which side of his character is likely to have the upper hand at any given time. Half calculating political operator, half writer, poet and lover of nature, His whole career reflects a constant inner conflict between personal ambition and idealism.

Capable of great emotional commitment and courage in defending his cause, as he was while a Resistance leader during the Second World War, M. Mitterrand is also an expert at trimming his sails to the wind. Many people have not forgiven him for the compromises he made as Minister of the Interior and Justice in the middle 1950s when, in spite of his liberal ideas, he took a remarkably tough colonialist line towards the Algerian war and did not resign over the torture of Algerians carried out by the French military.

Nor has his reputation been helped by a series of political smears, most of which were subsequently found to have been unjustified. For years he was hounded for having accepted a Vichy medal while working for a few months in Marshal Petain's Commissariat for former prisoners of war. But by that time he had already escaped from German prison camps three times and was in the process of organising an escaped prisoners' resistance organisation throughout France.

As Minister of the Interior in 1954, M. Mitterrand was again the victim of a cleverly-mounted campaign by his opponents who insinuated that he was leaking Cabinet and defence secrets to the Communist Party. After a thorough investigation, M. Mitterrand was cleared of all suspicion, but greater trials were yet to come.

Five year later, in one of the most bizarre events of the Fourth Republic, a Right-wing member of parliament, M. Robert Pesquet, claimed that he had organised a fake attempt to assassinate M. Mitterrand, a senator at the time, with the collusion of the latter. Billed by the extreme Right as a stunt by M. Mitterrand to burnish his image.

After such a series of setbacks and slanders, less resilient politicians might have packed their bags and chosen another career. Certainly, M. Mitterrand could have done so because he is a qualified lawyer and could also have made his living as a writer and journalist. But he was fascinated by political power and took a romantic delight in overcoming the obstacles which had been put in his way.

The early 1960s saw M. Mitterrand back in parliament as member for the Nièvre constituency, a seat he still holds. It was during this period that he became a consistent critic of General de Gaulle and the institutions of the Fifth Republic which allowed so much power to be vested in the hands of the President.

Since then, M. Mitterrand's career has become much more consistent. He did extremely well in the 1965 Presidential election when, in spite of running against the towering personality of General de Gaulle, he polled 45 per cent. of the votes cast, a performance which laid the groundwork for his subsequent takeover of a rejuvenated Socialist Party. And, as the joint candidate of the Left in the 1974 Presidential election, he came within an ace of beating M. Giscard d'Estaing, who defeated him by only slightly more than 1 per cent. of the popular vote.

But his greatest achievement, though it may look very fragile to-day, was probably the agreement between the Socialists and the Communists on a joint programme in 1972, the first time that the parties of the Left had succeeded in joining hands since the Popular Front of 1936. It may have been simple expediency but it made solid political sense, for the country was thirsting for change after nearly 15 years of Gaullist rule and both the Socialist and Communist parties realised that they stood no chance of winning an election in disarray.

Moreover, subsequent events have shown that M. Mitterrand can stand firm on principle when he wants to. The Socialists were obliged to swallow a heavy dose of Communist medicine when they signed the Common Programme. But M. Mitterrand refused to make any further concessions when, in the summer of last year, the Communists launched their formidable campaign for the updating of the agreement. Nor has he flinched in the face of Communist threats that they might not support leading Socialist candidates in the vital run-off of the election if no firm agreement on a revised programme is reached before then.

M. Mitterrand, who is a past master of the art of political manoeuvring, has decreed that there will be no renegotiation of a government programme until after the election is over, when he knows that the Socialists will be in a much stronger position than the Communists. The Communists will, in the end, be forced to accept this situation, he has predicted.

Even if he is right and the combined forces of the Left win the election, his troubles will just have started, for the fundamental disagreements between the Socialists and Communists are so great that it will require a miracle for them to coexist in the same government for very long.

In one of his most disillusioned moments, Francois Mitterand once said: "History does not appear to like me." There are many people who feel that history may be reluctant to change its mind at this late stage and that, if it does, it will do so only temporarily.

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The West German Social Democrat Party (SPD)—so far reticent during the election campaign in France—was to-day goaded into a sharp reaction by a statement from the French Communists. The SPD's Foreign Policy committee described as "monstrous" and "frightening" a suggestion that France might one day be an enemy of Germany and therefore require the pluton nuclear rocket for its defence. Jonathan Carr writes from Bonn.

The SPD said if such remarks were to become the basis for French policy, the whole development of Franco-German friendship since the Second World War would be put in question.

Dr. Owen to meet the Patriotic Front

by Bridget Bloom

BRITISH efforts to bridge the yawning gap between the internal settlement in Rhodesia and the Patriotic Front may be taken a step further on Monday, when Dr. David Owen, the Foreign Secretary, meets the Front's leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe in London.

Although the meeting is apparently at the request of the two nationalist leaders, it is seen as part of the Anglo-American strategy on Rhodesia which was agreed at last Wednesday's talks in Washington between Dr. Owen and Mr. Cyrus Vance, the U.S. Secretary of State.

The aim is to get new talks started between the signatories of the Salisbury settlement, which Dr. Owen described yesterday as "seriously defective," and the Patriotic Front, which has threatened to escalate its guerilla war in opposition to the internal deal.

There is little optimism in Whitehall that such talks can be held speedily, but in a statement last night Dr. Owen again laid down the Government's criteria for a settlement.

Tony Hawkins adds from Salisbury: All four parties that signed last week's Rhodesian internal agreement have rejected President Carter's call for another Geneva-style conference to try and bring the external nationalists into the agreement.

A spokesman for Bishop Muzorewa's United African National Council (UANC) said the Geneva conference in 1976 had achieved nothing and "we have no intention of repeating the exercise." The Patriotic Front had made it absolutely clear that it must be in charge of law and order during the transitional period, the UANC spokesman said and this was "totally unacceptable."

A member of the African National Council (ANC (Sithole) said the internal settlement superseded the defunct Anglo-American plan and any attempt to revive the Owen-Young package would fail.

Greek-Turkish talks progress

By David Tonge

MONTREUX, March 10.

THREE SESSIONS of private talks between the Greek and Turkish Prime Ministers in Montreux to-day have led to the first signs of a reduction in the tension between the two putative allies. Already during the second session this evening the two leaders explored how they would continue the dialogue which they started here in the wake of long years of bitterness and the occasional approach to the threshold of war.

After opening their first session in the salon in the Montreux Palace Hotel where the convention governing the Turkish Straits was signed 42 years ago, the two Prime Ministers continued their talks in each other's suites. They met accompanied by only one senior aide each.

Rather than negotiate specific issues, the two have concentrated on explaining their views on the general issues dividing their countries with more attention paid to the Aegean than to Cyprus, according to delegation spokesmen.

The Turkish Prime Minister, Mr. Bulent Ecevit, said this afternoon that "a positive and fruitful dialogue has been created," though the Greeks have tended to retain some of the scepticism with which they had approached the talks.

The Turks have been saying how they had come to Montreux ready to negotiate on specific issues if the Greek Prime Minister, Mr. Constantine Karamanlis, were to wish this.

Employment figures in U.S. improve

By Jurek Martin

WASHINGTON, March 10.

THE U.S. unemployment rate continued to decline last month in spite of the impact of the coal strike and bad weather. In February, 6.1 per cent. of the labour force was out of work, down from the 6.3 per cent. in January and the lowest level since October, 1974.

In fact, these two factors which have adversely affected a number of other economic statistics barely touched the unemployment returns. In the fortnight spanning the end of February and the start of March, the Labour Department found that only 25,000 manufacturing workers had been laid off for energy-related reasons.

This is but a tiny fraction of total employment, which rose again in February to 93m. In industry, 72 per cent. of the 172 industries covered in the survey reported higher employment in February than January, with the gains heavily concentrated in the manufacturing sector, particularly durable goods.

The Administration's forecast is that unemployment will still be at the 6 per cent plus level by the end of the year. The improvement achieved at the start of this year is unlikely to produce changes in these estimates—at least not immediately.

The structural weaknesses in the unemployment picture remain apparent, however. Although over the past 12 months white unemployment has fallen by 20 per cent., that among blacks has only dropped by 5 per cent.

Zambia request for aid as crisis deepens

BY MICHAEL HOLMAN

LUSAKA, March 10.

ZAMBIA'S financial plight has deepened with the announcement by Finance Minister Mr. John Mwanakatwe in Parliament yesterday that the country needs international aid within weeks if it is to resolve what he called "an extremely serious economic crisis." At the same time the Minister disclosed that "tough" negotiations with the International Monetary Fund (IMF) delegation which left Lusaka on Tuesday after a three-week stay had not yet led to agreement on IMF assistance. But, said the Minister, "we have no other way out but to depend on international institutions to bail us out."

Underlining the seriousness of the situation, the Minister warned that if money were not found Zambia "would not be able to pay for oil imports." However, a senior finance official explained to-day that this was not to be taken as meaning there were difficulties in meeting oil payments in particular. Rather it was an attempt to bring home in everyday terms the consequences should the crisis go unresolved.

The Minister was speaking in the second reading of the Bretton Woods amendment Bill which seeks approval for a higher Zambian quota with the IMF, and answering questions put by backbench MP and former Minister of Finance, Mr. Arthur Wina, arising from Financial Times reports on the economy.

Without international aid, Zambia faces severe difficulties in meeting her external debt servicing obligations in 1978, mainly due to the sustained slump in the price of copper, which provides 95 per cent. of the country's foreign exchange earnings. The 51 per cent state-owned Nchanga Consolidated Copper Mines (NCCM) and Roan Consolidated Mines (RCM) are in severe financial difficulties as a result.

The Minister's comments have caused deep unease in the business community and in particular in the copper industry, one of the largest users of oil.

His blunt warning is seen by some observers as an attempt to bring home to certain sections of the ruling United National Independence Party just how critical the situation is. One senior official to-day complained that a failure in some quarters to understand the gravity of the crisis had led to damaging delays in introducing remedies.

It is known, for example, that the 20 per cent. devaluation of the Kwacha in July, 1976 (following IMF visits in 1975), followed a battle of at least four months between supporters and opponents of the measure, in which the original 30 per cent recommendation had to be reduced.

One symptom of the crisis is massive arrears in payments for imports and remittance of dividends and profits, which Mr. Wina put at £320m.—a figure which the Minister accepted was "not far from the truth."

Secondly, short-term Bank of Zambia lending to the mines is at least £114m. As a result, Government borrowing as a percentage of revenue is over 30 per cent. The IMF probably wants it reduced to 20 per cent.

However, advice by certain mining authorities not only to close some unprofitable divisions but to lay off 5,000 of the 59,000 workforce has so far been rejected by the Government anxious not to upset the politically powerful well organised, miners.

A further unpalatable piece of advice may have been the need to prune the top heavy and consequently costly and often inefficient Party and Government superstructure.

Spain given new electoral law

BY OUR OWN CORRESPONDENT

MADRID, March 10.

AFTER a 16 hour debate the Spanish Parliament approved in the early hours of to-day a law which allows the Government to call municipal elections, when it wants to, for the first time in 42 years.

While the Government won the day, and with support from the Right-wing Popular Alliance defeated the Socialists' motion that municipal elections be held 30 days after the promulgation of the law, Sr Rodolfo Martin Villa, Interior Minister, promised to call the elections a month after the approval of the new democratic constitution. There is no official timetable but this could mean that elections will be called in July for the autumn.

The ruling Centre Party and the Socialists wanted the winning party's candidate to be mayor. But the Communists said this would favour the bigger parties and the Government bowed to their demands and agreed that the councillors would elect the mayor themselves. This could lead to the Left holding more towns if Socialist and Communist councillors agree to support a candidate jointly.

The Left has been threatening to call demonstrations in favour of early municipal elections. There are still thousands of mayors and councillors in office who were appointed during the dictatorship.

The Socialists withdrew from the committee responsible for drafting the constitution on Tuesday and accused the Government of breaking its consensus agreement over certain issues including municipal elections. As a result of the compromise reached the Socialists might return to the committee, whose work is almost finished, and tone down its municipal campaign.

The Government claims that technical difficulties are preventing early elections and is urging priority for the constitution.

● In a carefully guarded speech to the Senate yesterday Sr. Marcelino Oreja, the Spanish Foreign Minister, implied that Spain's membership of NATO was inevitable. It was the clearest statement from the Government so far on NATO.

Sr. Oreja argued that Spain was already part of Europe, having applied for EEC membership, and that for Spain to adopt a position of neutrality would profoundly change the present equilibrium in the West.

He listed nine reasons for joining: including improving the country's armed forces and four against joining: including the presence of foreign troops in Spain. The Left is against any form of alliance and a referendum will eventually be held on the issue.

Portugal approves key law

By Jimmy Burns

LISBON, March 10.

THE ASSEMBLY of the Republic, Portugal's Parliament has approved a key law regulating workers' management of some 600 small firms which were occupied during the two years that followed the military coup of April 25, 1974.

Combined votes from the Socialists and the Christian Democrats (CDS) secured a Parliamentary majority for legislation which will return firms judged to have been taken "by force" to their original owners. Other firms which were taken by the workers following neglect or abandonment by the private owners will be transformed into co-operatives. They will be entitled to financial backing from the Government.

A parallel law proposed by the Communist Party which recognised the right of workers to retain ownership of all the firms without distinction was rejected by a combined vote from the Government (Socialists and Christian Democrats) and the Social Democrats (PSD).

● Portuguese civil servants and teachers to-day began their first nation-wide strike since the 1974 revolution. Communist-dominated unions representing 300,000 public servants and 100,000 state and private teachers denied charges by the Socialist-led Government that the strikes were politically inspired.

S. Africa frees black editor

JOHANNESBURG, March 10.

MR. PERCY QOBOZA, editor of the banned black newspaper, The World and nine other detainees, were released from prison here to-day on the orders of Mr. Jimmy Kruger, the Minister of Police and Justice. All ten had been held in preventive detention without trial since October 19 last year.

The releases, which leaves 52 detainees still in jail, coincided with a fatal bomb blast in the coastal town of Port Elizabeth, where a man died in an earlier explosion on Wednesday. Mr. Kruger announced that police reinforcements had been sent to the area, where there has been continuing unrest

Red Brigade fifth victim

BY PAUL BETTS

ROME, March 10.

A SPECIAL BRANCH officer was shot dead in Turin this morning adding yet another victim to the terror campaign unleased by the subversive Red Brigade extreme Left-wing movement whose "ideological" leaders are currently under trial in a heavily guarded Turin barracks.

The 45-year-old police officer, Rosario Berardi, was the fifth person to be murdered in the last two years in Turin by the urban guerillas who have repeately, and so far successfully, attempted to stop the controversial trial.

To-day's shooting came on the second day of the trial, which has already been postponed on two previous occasions over the past two years.

In a statement to-day the Red Brigade said they were executing the warning they issued yesterday in court when the trial opened. Despite the Red Brigade's attempts to intimidate the city of Turin and especially jury members, the court succeeded yesterday in constituting a popular jury. Last May, the trial had to be postponed because a jury could not be formed.

The court, however, is now finding difficulty in nominating defence counsel. Already four lawyers have indicated that for a variety of reasons they could not appear.

In the last 24 hours, the Turin "political" trial has become, at least in terms of newspaper headlines, the main national issue supplanting the final solution to Italy's protracted seven-week government crisis.

$2.6bn. Brazilian steel plant talks reach final stage

BY PAUL BETTS

ROME, March 10.

AN Italian-Japanese joint venture—grouping Kawasaki Steel and the Italian State-controlled Finsider Steel—is expected to move into the final stages of negotiation for the construction of an estimated $US2.6bn. steel complex in Brazil next week.

Finsider, the steel holding of the Italian State Istituto Per La Ricostruzione Industriale (IRI) group, confirmed here to-day that an Italian delegation will fly this week-end to Brazil.

Construction of the Brazilian plant is likely to start in two years' time at Punta Di Tubarao in the district of Vitoria on the Atlantic coast some 250 miles north of Rio de Janeiro.

In its initial stage, the plant is expected to produce some 3m. tonnes annually of flat blooms or steel slabs to be doubled at a later date to 6m. tonnes and eventually reach an annual production of 12m. tonnes of steel.

The complex will be controlled by the Tubarao Steel Company in which the Brazilian national steel concern, Siderbras, will hold a 51 per cent. majority interest with the remaining 49 per cent. equally divided between Finsider's International holding, Finsider International, and Kawasaki Steel.

Finsider, through its Genoa-based engineering subsidiary Italimpianti, and the Japanese multinational will supply equipment and services for the steel complex totalling some $600m. each

This would be the second major overseas deal for Italimpianti and Finsider currently involved in the construction of a giant U.S. $2bn. steel complex at the south Iranian port of Bandar Abbas.

The Italian part of the Brazilian venture is expected to be financed through exports of services and equipment and by means of bills of exchange negotiable on the international financial market. This is understood to have already received the approval of the Italian authorities.

DIANA SMITH reports from Rio de Janeiro. Talks between the three partners will begin in Brasilia on March 15 to discuss two vital matters: terms of financing of an initial investment of $613m. and the timetable for the purchase of the steel produced by the plant—which Japan apparently would like to put back by two or three years.

Concrete terms and interest rates will be sorted out next week, as will Kawasaki's contribution. Siderbras hopes for lengthy terms of payment, with amortisation beginning once the is forecast for the beginning of the 1980s.

Initial production capacity will be 3m. tonnes a year, using Brazilian iron ore and imported coal. Brazil's domestic coal supplies are now minimal; studies are being made on the possibilities of increasing production. Coal for the Tubarao plant, Siderbras says, will be imported from whichever country offers the most favourable terms: this could be the U.S., now Brazil's main supplier, Canada or Australia, with whose Broken Hill Proprietary Company Siderbras recently signed a contract to purchase 500,000 tonnes of high-grade coal a year at an average price f.o.b. of $48 to $50 a tonne compared with the U.S. price of $55 a tonne.

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HOME NEWS

World oil industry recruiting in U.K.

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITAIN is becoming an international recruiting and training centre for the international oil and offshore service industries, delegates at a Brighton conference were told yesterday.

Many of those recruited will not be working in the North Sea, however. Mr. David Owen, a director of management consultants Orr and Boss and Partners, said that U.K. tax levels were encouraging people to work overseas.

"Most U.K. nationals that reach a well-paid and responsible job in the offshore industry apply for overseas postings to escape the high levels of U.K. direct taxation," he said.

That was one reason why there was only a small proportion of British personnel employed in the more senior positions on rigs in the U.K. sector.

The Petroleum Industry Training Board says over 90 per cent. of roughnecks and roustabouts—among the lower paid jobs offshore—are British.

However, among the senior positions U.K. personnel account for only 15 per cent. of toolpushers, 21 per cent. of drilling superintendents and 24 per cent. of managers.

"Oil companies that have to man production platforms over the next decade or so on a regular routine basis will be struggling to find a method of operating that is safe, technically efficient and rewarding to their personnel both in pay and shift patterns," Mr. Owen said.

"It is not inconceivable that the only solution will involve the U.K. platforms being run by other countries' nationals and U.K. nationals running other countries' platforms."

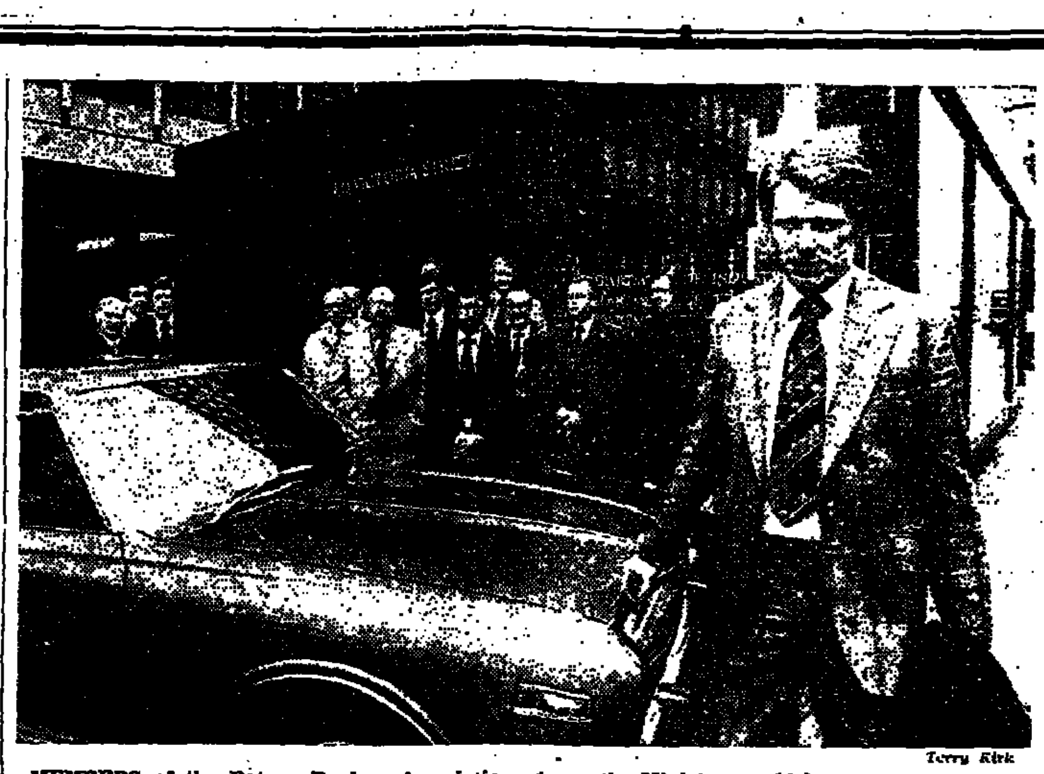
Mr. Owen was speaking during the Society for Underwater Technology's session at the Oceanology International conference and exhibition.

He said the U.K. was becoming an international recruiting centre not only because of the existence of North Sea oil, but also because of the ease of communications, the use of the oil industry's language—English—and the U.K. salary levels.

Fabrication yards in Scotland and Norway could be in the running to win orders for 255,000-ton structures designed to produce energy from the sea, delegates were told.

The system, known as Ocean Thermal Energy Conversion (OTEC) would take heat on the ocean surface to vaporise a medium under pressure and the vapour would drive turbines to generate electricity.

Mr. Roger Fuller, programme manager of the project at Lockheed, said that yards that had built North Sea concrete platforms held the expertise that could be the key to manufacturing OTEC structures.



Terry Kirk

MEMBERS of the Datsun Dealers Association, led by Mr. Peter Fletcher (right), their chairman, seen leaving a 40-minute meeting with Mr. Edmund Dell, Trade Secretary, yesterday.

They delivered a letter protesting at the agreement this week between the U.K. and Japanese governments to curb Japanese car shipments to the U.K. and asked Mr. Dell to reconsider the policy.

Mr. Fletcher said he was very unhappy about the outcome of the meeting. No assurances had been given except that, in the long term, the Minister would be prepared to reconsider if Japan relaxed its own trading restrictions.

They repeated their warning that heavy investments could not be supported if the throughput of cars was not available added that some unemployment could result. "At the moment we are going backwards," Mr. Fletcher said.

The dealers will seek an urgent meeting with the Japanese ambassador to the U.K. and intend to send a delegation to Japan.

Metal Box workers warned on output

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

OUTPUT ACHIEVED so far on the two-piece can-making lines installed at a cost of £13m. by Metal Box has been "abysmal," Mr. David O'Shaughnessy, manager of the group's Open Top Can division, has told employees.

The lines had produced "only a minute fraction of the number of cans of which they are capable. The result is that we have lost an enormous amount of money vital to our investment plans and to the future of the people employed in the group.

"We have also lost business which again will have a serious effect on the future of the group."

Mr. O'Shaughnessy, says the cause of "this potentially disastrous situation" is industrial relations problems.

"Unless they are solved sensibly—and they could be—in the immediate future, our whole business could be very seriously jeopardised."

Metal Box announced recently that it would spend a further £27m. on another two-piece can-making plant at Braunstone, near Leicester. This decision was "a massive vote of confidence from the company that the Open Top Group's problems can be resolved. It is an act of faith."

Everything possible had been done to ensure that Braunstone would operate successfully from day one of operation. "It is vital that we should achieve high utilisation and high efficiency on these new lines.

"This is true not only of Braunstone but elsewhere in the group where we still have some way to go before we reach the standards of efficiency achieved elsewhere in the world."

Methven sees good prospects of improvement in economy

FINANCIAL TIMES REPORTER

A BRIGHTER future for British industry and a rise of 4 per cent. in private spending was forecast by Sir John Methven, director-general of the CBI, yesterday.

"The state of trade is as flat as a pancake. The U.K. economy is not turning up at the moment, but I am quite optimistic about the prospects even without a Budgetary incentive.

"But if direct taxation is reduced to the extent of allowing £2.5bn. it will give 4 per cent. spending power in the private sector. I am sure the markets will thereby benefit. Sir John said after a conference of the North West Regional Council.

Earnings were rising faster than the rate of inflation, but there would be more private spending especially if personal tax cuts came in the Budget.

There was no doubt that the problems of Merseyside and those of Tyneside, Glasgow and South Wales were similar in that they were linked to the national economy, he said.

It was useless to keep pouring aid into certain regions without a chance of a result.

Sir John said he did not see anything wrong with the Merseyside labour force. "I worked for many years in this area with the Mond division (ICI) so I know what local labour produces."

There was a problem of overmanning which could be absorbed to some extent by natural wastage.

But the general level of education of the skilled worker was below that of the U.S., he said.

Referring to the latest Merseyside closure with the loss of about 800 jobs at English Electric, Sir John said: "No one likes to tell workers they are redundant and you may take it from me that every avenue is explored, wherever the factory is, before the final decision."

Mr. Leslie Young, chairman of CBI's North Western Regional Council, said there was good news in the expected improvement in home and export markets. This trend continued to be reflected in industries' investment intentions.

Mixed development for South Bank

BY DAVID CHURCHILL

LONDON'S PRIME South Bank site is to be used for commercial development as well as housing, the Greater London Council has decided.

The 7.4-acre site behind the National Theatre and the London Week-end Television tower was originally planned for development as a 600-bedroom hotel.

The GLC, which owns the site, now proposes to add 200 homes for local authority and housing association use, 370,000 square feet of offices, 27,000 square feet of commercial accommodation, and sports facilities.

Miss Shelagh Roberts, leader of the GLC's planning and communications policy committee, said yesterday that Lambeth Borough Council's original plan to use the site for housing "would pass up the chance of bringing jobs to an area which was crying out for them and would be financial folly."

The mixed development plans would yield £2m. a year in rates, she said, compared with £70,000 from the homes-only scheme.

Ennals rules out men's pension at 60

THE GOVERNMENT has ruled out any reduction in the pensionable age for men in the immediate future on the grounds that the cost would be prohibitive.

This was made clear yesterday by Mr. David Ennals, Social Services Secretary, who rejected the idea of allowing men to retire at 60 since it could cost up to £25bn. a year in public funds.

The Government accepted the illogicality of different retirement ages, he told organisers of a national petition.

"But by reducing men's pensionable age we would be increasing considerably our pensioner population

Machine tool orders increase by 30%

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MACHINE tool industry had order books worth £266m. at the end of November, representing well over seven months work at present levels of activity, according to Department of Industry statistics.

This was more than 30 per cent. up on the same period a year before.

The latest figures seem to show that the industry is continuing to pull away slowly and steadily from the bottom of the trough in demand which it reached in July, 1976, when order books were down to £187.9m.

However, the new order pattern over the three most recent months of published statistics suggests a continuing hesitation in demand. By the end of November they had levelled out at £110m.—down 1 per cent. on the previous three months.

Orders from abroad increased by 6 per cent., offsetting a similar decrease in those from the home market.

The recent inflow of orders was 19 per cent. higher than a year before. Export orders rose sharply by 33 per cent. and those from the home market by a less-dramatic 11 per cent.

Existing values of sales were well maintained in the months up to and including November, running at 17 per cent. above those of the previous year.

The department says, however, that this 17 per cent. rise was due almost entirely to the rise in output prices and that there was probably little increase in the volume of total deliveries.

State move raises hopes of re-opening dry dock

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE POSSIBILITY that Greenwell dry dock, Sunderland, will re-open at some time in the future was raised again yesterday. It was announced that T. H. Greenwell's assets were formally being transferred to the Tyne Shiprepair Group, a part of British Shipbuilders.

British Shipbuilders last night would say only that Greenwell's future would be considered as part of the State group's corporate plan, but on Wearside there was confidence that the fight to re-open the dock had been won.

When the dock was closed almost two years ago about 350 men lost their jobs and since then there have been a number of attempts to resume operations. At one time, Bristol Channel Shiprepairers, the private company which led the fight against nationalisation of ship repairing, was interested in buying or renting the facilities.

Yesterday's announcement was of the formal transfer of assets from Sunderland Shipbuilders, now also part of British Shipbuilders, to the Tyneside Shiprepair group, which, including Greenwell, will have eight member companies.

British Shipbuilders' strategy has been to group its repair facilities within each area under one company, but it is still far from clear whether, at a time of substantial over-capacity in the industry, the State corporation will be interested in reviving a concern over which there has already been a great deal of political agitation.

Electrical contractors' guarantees widened

By John Lloyd

ELECTRICAL contractors are offering improved safeguards to their customers against bad workmanship or bankruptcy.

The Guarantee of Work scheme, which ensures compensation to the customer for faulty instalaltion work done by a member of the Electrical Contractors Association, has been raised in value from £5,000 to £10,000.

Any complaint made is investigated under the guarantee. The £10,000 limit now covers most domestic electrical work.

The Contract Completion Guarantee, first introduced a year ago, ensures that any job undertaken by a member company of the association will be completed if the company runs into financial difficulties.

The scheme has now been extended to cover fixed price jobs, provided the original tender price was not more than £10,000 and the work does not extend over more than six months.

Viewdata sales link-up

THE POST Office and Insac, the National Enterprise Board's computer software subsidiary, are to market Viewdata in the U.S.

Viewdata links the telephone with the domestic television receiver, allowing users access to a large centralised store of information.

The world's first Viewdata system will be given its public launching in the U.K. next year.

The Post Office says Insac's New York staff will discuss with businessmen prospects for the system. Because it uses standard television sets and the ordinary telephone, Viewdata should be considerably cheaper than other computer information systems.

Wider scope urged for Spending White Paper

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT should publish its medium-term assessment of the economic prospects and discuss a range of possibilities, notably for earnings, in the annual Expenditure White Paper in order to provide "a much better basis for debate on the future of the economy."

This is the main recommendation of a report from the all-party Commons Expenditure Committee on the spending White Paper.

The Government is criticised for failing to reverse the "disproportionate" reductions in capital spending plans decided in 1976 and for the obscurity of parts of the White Paper, particularly on the rise in expenditure next year.

The report was prepared by the committee's general sub-committee, under the chairmanship of Mr. Michael English, the Labour MP for Nottingham West, after a series of public hearings with Mr. Joel Barnett, the Chief Secretary, and with Treasury officials.

It welcomes the provision of additional material, notably on medium-term revenue projections but says that in its present form, the White Paper is in danger of becoming a document which is capable of being read only by professionals.

The committee notes that most readers of the White Paper seem to have had particular difficulty in determing the nature and extent of the proposed change in public expenditure between this year and next.

It quotes the contrasting rises, varying between 2.2 per cent. (plans against plans) and 8 per cent. (probable outturn against plans) and considers that the most meaningful comparison is that between the probable outturn for the present financial year and forecast expenditure for the next financial year (including the contingency reserve and allowing for shortfall).

On this basis, the correct comparison, as given in oral evidence by Treasury officials, indicate a 4 per cent. rise next year, or about 3 per cent. if the sale of BP shares in 1977-78 is regarded as exceptional.

Investment

The report points out that the main reason for the wide range of estimates is the shortfall of actual outlays in the current financial year below planned levels. It notes that the total of the planned cuts in July and December, 1976 (£2.2bn. at 1977 survey prices) is rather less than the probable shortfall in expenditure for 1977-78.

"In other words, shortfall has proved more significant in amount than the Government's expenditure cuts, which were widely debated when proposed."

"Since the intended level of expenditure on programmes is what one is trying to achieve, it is important that the Treasury should continue to investigate the causes of shortfall."

The committee returns to the criticisms in previous reports of "the disproportionate" reduction in capital expenditure compared with current spending. The latest White Paper shows there is no intention of restoring these cuts up to 1982.

The committee argues that "some of the recent cuts to be false economies. We fail to understand, for example, how the taxpayers gain in the long run from the fact that nearly 60 per cent. of Government offices are leased rather than owned. Edward the Confessor's investment in land at Westminster has probably paid off rather better.

"The disproportionate reductions in investment have their most damaging impact on the construction industry. It is clear that the 1976 cuts caused more depression in that industry than in others, but there are no substantial proposals in the White Paper which would redress this damage. We do not regard this as either sensible or just."

The report urges that the Government should publish its medium-term assessment of the economic prospects, and notes that some of the oral evidence indicated that "unless there is a major improvement in the way in which the economy functions . . . the Government must tread a narrow path, trying to avoid policies which either lead to excessive unemployment or worsening inflation and a weak balance of payments.

"Unfortunately little of this is made clear in the White Paper. A number of the papers we received drew attention to the absence of any argued strategy and we agree with this criticism."

Second Report from the Expenditure Committee, Session 1977-78, House of Commons paper, 257, Stationery Office, £2.60.

HOME NEWS

Electricity prices to rise by 5%

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ELECTRICITY prices in most parts of Britain are to go up by an average of at least 5 per cent. on April 1. The Price Commission has decided not to investigate the latest increase in the general tariff proposed by the Central Electricity Generating Board on behalf of area Boards in England and Wales.

The commission is, however, to scrutinise a separate notification submitted by the South of Scotland Electricity Board. The 9.9 per cent. increase proposed by the Scottish Board may be cut during the three-month inquiry.

Companies must give the commission 28 days' advance notice of a proposed increase. If the commission does not tell them within that period it wants to investigate, the companies are free to go ahead with their plans.

The CEGB last month submitted proposals for two different kinds of increases in England and Wales. The first, for which the 28-day moratorium has now expired, was for a 5 per cent. increase in general tariffs. Boards are now free to start charging the higher rate next month and consumers will face bigger bills in July.

The second was for a further 2 per cent. increase in the fuel cost adjustment clause, under which Boards automatically pass on increases in average fuel costs. The 28-day period on this notification still has a few days to run.

The CEGB, which last lifted its general tariff a year ago, increased the fuel cost adjustment surcharge last winter. The increase was investigated and the commission, concluded that the clause should be either simplified or abolished.

The South of Scotland Electricity Board uses a different system to calculate its prices and deals with the Price Commission separately. Its tariffs were, therefore, not investigated during the inquiry into the fuel cost adjustment clause.

Last month, the Scottish Board, which puts all its extra costs into one single price rise a year, told the commission that it wanted to raise its tariffs by just under 10 per cent. The proposal envisaged a 12.5 per cent. increase in connection charges for new domestic supplies.

Further move on options

FINANCIAL TIMES REPORTER

THE STOCK Exchange is to ask members firms to decide by the end of next week whether they wish to become clearing members offering an agency service, for others in the planned London traded share options market or to use other clearing members as their agents.

Several concerns are believed to have decided to be clearing members and to act as clearing agents in the new market which it is hoped will begin to trade next month under the auspices of the Stock Exchange. They are Opclear which is owned jointly by Vickers da Costa and Joseph Sebag, stockbrokers, and four other stockbroking concerns, Phillips & Drew, Sheppards & Chase, Grieveson Grant and Kitcat & Aitken.

Governor emphasises vital role of profits

By Michael Blanden

THE VITAL role of profits in the growth of British industry and the need for greater public understanding of their importance were emphasised last night by Mr. Gordon Richardson, the Governor of the Bank of England.

He told the Cardiff Chamber of Commerce and Industry annual dinner: "We will not find any lasting improvement in the performance of British industry until we have a much wider understanding of the importance of profits throughout our economy and society and of rewarding adequately those who help to produce profits, whether in factory, office or boardroom."

The importance of profitability is needed to be appreciated by Government, in business and in society at large. Government could help, "not least by making the effect of its actions on profitability a yardstick of policy."

Mr. Richardson said business itself needed to be more alert to making the adjustments made necessary by inflation. In the last four years the onset of inflation had been so rapid that "many firms have been misled into thinking they were doing better than they were."

At the same time labour needed to welcome increased profitability, even though this involved an increased share for profits in the national income.

"If society wants an efficient economy, it has to accept profits." Profits, if adequate, provided the incentive to invest and a test of efficiency in the use of resources.

He underlined the sharp fall in the level of profitability in recent years. Although company profits had risen, after making allowance for the impact of inflation the real rate of return had dropped from about 13½ per cent. before tax for industrial and commercial companies in 1960 to 3½ per cent. in 1976, excluding profits from North Sea oil.

LABOUR NEWS

Ciba-Geigy £20m plans in U.K.

BY KEVIN DONE, CHEMICALS CORRESPONDENT

CIBA-GEIGY, the Swiss chemicals and pharmaceuticals company, is to invest about £20m. in the U.K. in new capital projects over the coming year.

This compares with spending of £17m. last year, when U.K. sales climbed rapidly by 20 per cent. to £303.4m.

Ciba-Geigy's performance in the U.K. surpassed its achievements in most other markets. Worldwide sales last year by contrast were only 5 per cent. up on 1976 at SwFrs.9.94bn. (£2.7bn.).

Export sales from the U.K. rose by 25 per cent. from £93m. in 1976 to £116.3m. last year, and represented about 38 per cent. of the U.K. company's business.

A large part of the coming year's capital expenditure programme in the U.K. will focus on a new £16m. dyestuffs intermediates plant at Manchester, in the first phase of construction.

The company also is investing £5m. in a pigment plant at Paisley, Scotland, which should come on stream in 1980. In the second half of this year a new phthalocyanine plant should be completed in Paisley at a cost of about £2.5m.

The pigments are for use in products such as paints, plastics and printing inks.

Last year Ciba-Geigy brought on stream two other units in the U.K.: an agrochemicals plant in Grimsby and a phosphate plant in Manchester.

Worldwide, the group is aiming to keep its investment programme at about 9 per cent. of turnover, which suggests a total capital expenditure last year of about £246m. In recent months it has been involved in a number of acquisitions in the U.S.

Booth refuses to scrap fortnightly benefits plan

BY NICK GARNETT, LABOUR STAFF

THE DEPARTMENT of Employment is rapidly pressing forward with a new system of fortnightly, instead of weekly, unemployment benefit payments despite warnings of industrial action by the largest Civil Service union.

Mr. Albert Booth, Employment Secretary, said yesterday that he would be recommending the new system to the Cabinet. He hoped that new legislation could be agreed by Parliament in the next two or three months.

The system, which will also be examined by the National Insurance Advisory Committee, would then be introduced shortly afterwards.

An experiment into fortnightly payments, carried out at benefit offices in 36 areas, showed some resistance among a small percentage of unemployed.

Partly as a result of this, there would be an option allowing payments to be collected weekly. This will mainly help those families who would find it more difficult to budget on unemployment payments over a two-week, rather than one-week, period.

The Civil and Public Services Association, which yesterday failed to persuade Mr. Booth to scrap the plan, says there is now a threat of industrial action which could take the form of selective strikes.

The union is worried about loss of jobs for its members. It also believes that fortnightly payments will lead to more overpayments and fraud and that there will not be the beneficial effects the Department claims for the new system.

Fortnightly payments will mean the loss of about 1,000 of the 20,000 posts involved solely in benefit payments.

The Department has given a commitment that there will b redundancies and it beli most of the lost jobs ca re-absorbed into other expan areas of work. The Departi says the other staff unions not objecting to the new sy

Mr. Booth said the benefit of fortnightly paym would be social—providing better service for the u ployed, less queueing and n time for them to hunt for

In this respect it would " major social breakthrou said Mr. Booth.

Apart from that, the De ment calculates that there be a net gain in cash term at least £5m. a year.

This would be made up £4m.-£5m. savings on Post O and stationery charges an £3m.-£4m. saving in staff wa offset against increased payments of 1.5m. to £2.5m.

Argyll Field groups sign State deal

BY RAY DAFTER, ENERGY CORRESPONDENT

GROUPS INVOLVED in the development of the Argyll Field in the North Sea have belatedly signed a State participation deal giving the British National Oil Corporation the right to buy up to 51 per cent. of the field's output.

Argyll was the first U.K. field in the North Sea to come on stream—production started in June 1975—but the participation deal is one of the last to be finalised.

There has been speculation in the industry that production from Argyll, operated by the Hamilton Consortium, could cease within the next few years. It is thought that this is one reason why the Department of Energy put a comparatively low priority on the participation negotiations.

Recent drilling activity on the Argyll block has shown that the field may not be as close to depletion as reports last year indicated, however.

The field has been shut down since February 4 for repairs to the Transworld 58 semi-submersible production rig.

As well as giving the oil corporation access to more than half Argyll's remaining recoverable reserves, the agreement will also give it an effective vote on the field's operating committee and access to all the relevant information about the reservoir.

The Hamilton Consortium comprises Hamilton Brothers Oil Company, Hamilton Brothers Petroleum, Rio-Tinto Zinc Oil and Gas, Blackfriars Oil, and Trans-European.

European chemical groups form toxicology centre

BY KEVIN DONE, CHEMICALS CORRESPONDENT

A TOXICOLOGY centre is being set up in Brussels by 40 of the leading research-based chemical companies in Western Europe. The first chairman will be Dr. Alan Robertson, a main Board member of Imperial Chemical Industries.

The chemical industry is becoming acutely aware of the growing public interest in the toxicological and environmental effects of chemicals, particularly in the wake of such disasters as thalidomide, Flixborough and Seveso.

Increasing numbers of chemicals are coming under suspicion as potential carcinogens — cancer-causing agents—following the fears aroused by vinyl chloride monomer in the U.S. some years ago.

ICI said yesterday the companies had agreed to form the European Chemical Industry Ecology and Toxicology Centre to maintain close contact with authorities and the public. It will sponsor research either in the laboratories of its members or in independent laboratories.

House programme cut

BY CHRISTINE MUIR

FAIRVIEW ESTATES, one of Britain's leading housebuilders, is to cut its housing volumes by two thirds. It expects to build only about 500 houses a year in three years time, compared with about 1,700.

Mr. Denis Cope, Fairview chairman, said yesterday that the decision had been made because of volatile profit margins and because of difficulties with planning regulations on large residential sites.

The company is to stop developing large sites because of planning difficulties and local controversy, he said.

Fairview will now concentrate on smaller sites in the London suburbs and the Home Counties.

Mr. Cope also criticised "the poor quality of earnings obtainable.

"It is true that housing margins have dramatically improved over the past six months but we do not intend to be seduced by this. It is just as likely that they will go down again."

The company had once considered selling its housebuilding interests or floating them as a separate concern.

New lay-offs at Canley car factory

By Philip Bassett, Labour Staff

PRODUCTION WORKERS at British Leyland's Canley plant in Coventry who have been back at work for four days after a 16-week lay-off were sent home again yesterday as production of the Triumph Dolomite was halted.

Four hundred workers in the No. One plant at Speke, Liverpool, where the Dolomite bodies are made, have also been laid off. A 17-week strike by 1,500 workers at the Speke No. Two plant, which is to be closed, laid off the No. Two plant and the Canley workers.

A total of 1,100 men have been laid off at Canley because of a strike over pay by drivers who work for William Harper, a Liverpool haulage company which moves the Dolomite bodies to Coventry.

The drivers, who want a guaranteed amount of weekly overtime, will meet in Liverpool to-morrow to discuss their action. At a mass meeting earlier this week they voted to press on with the strike.

Production at Canley has been hit this week, but the lines have been kept going using the small supply of bodies that have got there from Liverpool since the workers in the No. Two plant called off their strike and went back two weeks ago.

Action urged over hospital telephonists

MR. SAM SILKIN, Attorney General, was urged yesterday by a Conservative MP to consider legal action over the pay dispute by hospital telephonists.

Mr. Kenneth Warren, MP for Hastings, said he understood that, under the 1861 Malicious Damage Act and the 1969 Post Office Act, officials of the National Union of Public Employees should not be instructing members to interfere with calls.

The telephonists are refusing to connect what they regard as non-clinical calls.

Mr. Warren had asked Mr. Silkin to consult other Ministers and the Post Office chairman "as to the immediate and appropriate legal action required to ensure that officials of NUPE stop the censorship of telephone calls."

Lorry drivers meet as pay talks fail

BY OUR LABOUR STAFF

SHOP stewards representing lorry drivers in haulage companies throughout London and the south-east will meet to-morrow after the failure of union-management talks to resolve a pay dispute.

The stewards almost certainly will consider forms of industrial action—including a strike throughout the capital or a series of stoppages at selected haulage companies.

Alternatively, the stewards, who were discussing the position with drivers yesterday, might decide to put the issue to conciliation, possibly involving the Advisory, Conciliation and Arbitration Service.

The dispute involves a pay offer to drivers at 2,000 private haulage companies who will be covered by a common Road Haulage Association pay and conditions agreement for the Greater London and south-eastern area.

The association's metropolitan area originally offered a pay package incorporating a daily meal allowance which sequently was dropped from offer after pressure from ot regions.

The association as a wh felt that the meal allowa would have created a preced and led to leapfrogging cla by drivers in other regions.

The withdrawal of the all ance angered the drivers had accepted the agreement the association has refused reintroduce the allowance.

The offer involves a b £53.35 for 40 hours, together w five hours of guaranteed ov time at time and a half ir spective of whether the overti is worked.

Senior officials of the Tra port and General Work Union, to which the men belo have said that because the pute arose from a clear bre of agreement the driv probably would receive offic union backing if they went strike.

Civil Service union drops claim for 14% increase

BY OUR LABOUR STAFF

THE LARGEST of the Civil Service unions, the Civil and Public Services Association, has decided not to press for wage increases ranging from 14 per cent. to 24 per cent.

The union will discuss with the Civil Service Department what money is available. The offer to all eight Civil Service unions is likely to be 9½ per cent., with another ½ per cent. for consolidation of Phase One and Two increases.

Mr. Ken Thomas, general secretary of the 190,000-strong union, said the union had been told the Civil Service Department was not prepared to discuss any settlement which would exceed the Government's pay guidelines.

Mr. Thomas said that after the Government's firm stand against the firemen, and the miners' decision to settle within the 10 per cent guidelines, it would not be in the best interest of the union's members to campaign for the original pay claims.

The Society of Civil and Pub Servants, which represer 105,000 members, is consideri the Civil Service Departmen response to its claim, whi ranges from 22.4 per cent. to 2 per cent.

Birds Eye strike talks

THE 110 maintainance worke who have been on strike at t Birds Eye plant at Kirkby, Live pool, for 14 weeks will me to-day to hear the result of tal between shop stewards and pla management.

Shop stewards' hopes of bei able to recommend a return work to the meeting appeared be fading yesterday.

The 1,200 process workers, wh were dismissed this week b Birds Eye, will meet to-morro to hear recommendations fo action on the sacking decision.

● NEWS ANALYSIS—GEC COOKERS

Quitting—after a grilling

BY MAX WILKINSON

THE DECISION of the General Electric Company to withdraw from the electric cooker market appears as an inevitable consequence of heavy losses and declining market share over the last few years.

The only surprise is that a company with the management and financial resources of GEC was unable to make a better recovery from the admittedly weak position in which it found itself at the turn of the decade.

This followed the takeover of English Electric and AEI when British Domestic Appliances was formed to rationalise the former competing companies. In 1971 BDA had 21 per cent. of the U.K. cooker market. This fell to a low point of only 4 per cent. in 1973. Inspite of further rationalisation, GEC has never recovered a share which would make the electric cooker business economical.

As a result, losses in the last three years have totalled £6m. on cookers alone and even on the most optimistic assumption, next year's loss would be £1m.

The basic weakness in 1971 was that BDA had four electric cooker brand names left over from formerly independent companies. These were: GEC, Revo, Hotpoint and English Electric. Between them, these brands accounted for about 50 models of cooker which spanned the range of the market.

It was inevitable that these brands and models should be rationalised and that some of the more unprofitable production lines should be pruned. This was accomplished at the cost of what subsequently proved to be a disastrous reduction in market share. By 1973, GEC had only 11 per cent. of the total cooker market.

Since then, the company's cooker factory has been kept going almost entirely by a single contract to the area electricity Boards for their own brand of Electra cookers. The current contract for the supply of Electra runs out in October. Although it tendered for a further contract, GEC has failed to secure additional orders. Since sales of its own brands have almost entirely disappeared, its only chance of staying in the business would be to relaunch a GEC, English Electric or Hotpoint brand from almost zero sales.

Although the electricity Boards agreed to soften the blow by helping with a re-launch, the idea seemed to have a slim chance of success.

Even if GEC could have regained 10 per cent. of the market with its own brand, it would still have faced a loss of £1m. over the next year. And, in a market with limited export possibilities, the chance of achieving even a 10 per cent. market share looked bleak.

The sad decline of GEC's cooker business partly reflects the tough competition from the three market leaders at a time of static or declining sales. In 1977, total sales of ordinary free-standing family cookers were 566,000 units. The three leading brands are Belling, Creda, a Tube Investments subsidiary and Tricity, part of the Thorn group. Each has about 28 to 29 per cent. of the market.

Margins have been driven down to about an average of 6 per cent. as these three manufacturers have competed vigorously for a relatively small market. Electric cookers have about half the total market in competition with gas.

A large part of cooker sales represents replacement of older equipment. This has been hit by the economic recession and the decline in real take-home incomes. At the same time, the sluggishness of new house building programmes has reduced sales of new appliances.

In this climate GEC has been caught in several ways. It has concentrated on the lower end of the market where margins are lower. Probably because of its lack of profitability, the cooker division has not matched competitors' development work into new features such as fan ovens, ceramic hobs and the market for split-level units.

Whereas the top-priced Electra cooker retails at about £160, competitors have been quite successful in leading customers up market into the luxury ranges retailing at £190 to £280 a unit.

The final factor in GEC's declining fortune must be its decision to depend on the electricity boards as almost its only outlet.

The boards account for about 60 per cent. of total cooker sales, but the bulk of the boards' sales are of branded equipment. Electra cookers have never taken more than 10 per cent. of the total market in spite of competitive pricing. The Electricity Council would not comment on why it was failing to renew the Electra contract. It can be assumed, however, that there were substantial doubts whether GEC's production would survive in any event.

By linking itself so closely to the boards, GEC effectively was barring itself from the 40 per cent. of the retail market served by shops, stores and the discount warehouses. The rise of discount houses and the increasing tendency for electrical stores to move into cooker sales put further pressure on GEC's market position.

The present poor position probably also reflects the philosophy of the former BDA management to concentrate on price competition at the lower end of the market. This general approach was carried through into washing machines and other appliances until BDA was broken up by GEC three years ago into Schrieber-Hotpoint and English Electric.

Mr. Chaim Schreiber, the new managing director of Schreiber-Hotpoint, has tried to move up the price range with an image of quality and service. Such a re-orientation of the cooker division probably was considered — but, with a disastrously small market base and the lack of a brand image, it proved impossible to realise.

THE WEEK IN THE MARKETS

Strong demand for Gilts

WHILE equities kicked off the week with a rise of 6.6 points in the FT Industrial Ordinary Index, the largest single day's rise for eight weeks, it has been the gilt market that has taken the limelight over the past five days.

After rises of up to ¾ point at the longer end of the market, gilts were further boosted on Tuesday by U.K. banking eligible liabilties which were less buoyant than some had feared and in late dealings gains of around ½ point were seen. Hopes that the growth in money supply had eased off stimulated demand further on Wednesday and following gains of about ¾ point the price of the long tap was close to the last level operated by the Government Broker.

An across-the-board advance the following day meant that the GB was operating the short tap but although longs were ¾ higher the long tap remained inoperative. The tone in the gilt market improved further following the lower than expected public borrowing figures and the week closed with the short tap again operative.

Shell yield

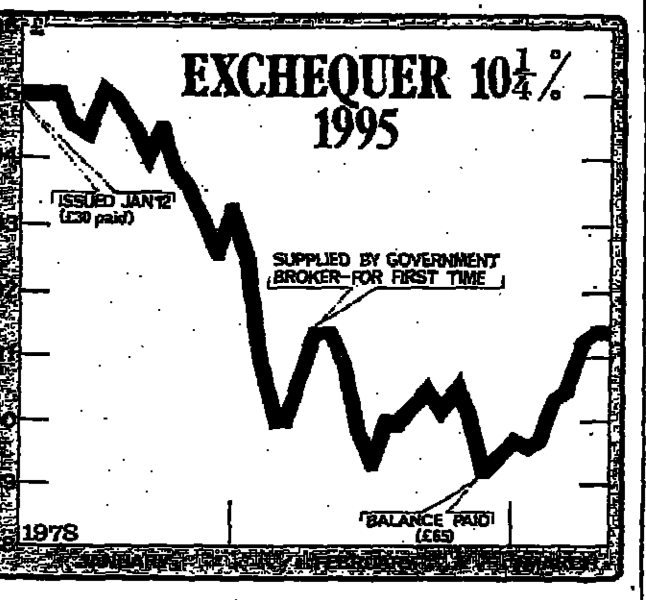
Shareholders of Shell Transport and Trading the British end of the Royal Dutch/Shell group, are eagerly looking forward to the ending of dividend restraint. For when the Shell T and T dividend at last moves back in line with the Royal Dutch payout, not only will the yield at 500p jump from 4.8 to 9.4 per cent., but a backlog of 36.8p a share net will remain to be paid over in due course."

But there isn't much else to look forward to. On the trading front prospects for 1978 are dreary as the Shell group grapples with the world-wide economic recession. The fact that on Thursday Shell reported higher net income for 1977—of £1.377m. against £1,307m. before allowing for FAS 8 currency adjustments — should not disguise the underlying decline in the group's profitability. In the first quarter, after all, Shell reported as much as £470m., thanks partly to stock profits, but by the fourth quarter it was only producing just over half that amount, the decline being aggravated by the adverse impact of the strength of sterling.

The most optimistic view of Shell's 1978 earnings is that they will be unchanged. On the positive side, the group should have benefited early this year from cold winter weather in Europe and the U.S., natural gas is still a growth area, and the group is bravely trying to get higher chemical prices to stick. But there are few signs of a genuine recovery in underlying demand for oil products, and many analysts are getting ready for a significant setback in net income this year.

Woolies wonder

Woolworth's full year announcement this week was stunning. Following a fall in pre-tax profits of a tenth after nine months some recovery was hoped for but a 47 per cent. jump in the final quarter's profits to produce £46.78m. for the year (compared with £40.6m.) left market forecasts of £41m. to £42m. choking in the dust.



LONDON

ONLOOKER

Analysts are still in the dark as to how the company managed it. A 4 per cent. increase in volume during the final quarter made a difference — margins jumped by 38 per cent.—but that does not sound like all the story. Higher gross margins and a different product mix may have some bearing. But were there any special factors and can Woolworth maintain its progress? At least two analysts are aiming for £56m. pre-tax this year, and after a rise of an eighth this week the shares may be firm for some time. But there have been false dawns at Woolworth before.

ICI expenditure

Fifteen months ago the ICI share price and the FT Industrial Ordinary share index could have been mistaken for one and the same thing. Both stood around the 300 mark and if the index moved up five points, likely as not ICI would do the same. However, the world chemical industry has been under a cloud for almost a year now and the ICI share price stands well over a hundred points below the index.

Judging by the chairman's gloomy comments (he preferred to describe them as "realistic") this week, the gap is not going to disappear overnight. Nevertheless, ICI is not too despondent. At the end of last year it had earmarked £1bn. for capital spending, of which £700m. will be invested this year against £491m. in 1977. As ICI spent a total of only £2.4bn. on new fixed assets over the whole of the last decade, its current commitment implies a certain measure of confidence in the future. And while investors are waiting for the upturn, they at least have the benefit of a yield of over 7.0 per cent. on the shares at 344p—one and a half percentage points above the market average.

Press ganged

Dawn raids by 140 Inland Revenue investigators on Monday at William Press left the shares in turmoil. They plunged 6p to 17p before they were suspended. On Wednesday the listing was restored after assurances by Press that although van loads of the group's documents had been taken away by the Revenue its day to day business would not be affected. The shares climbed back to 20p.

The Revenue used its special powers granted by the Finance Act 1976. Under Schedule 6 20C the Revenue must satisfy an appropriate judical authority "that there is reasonable ground for suspecting that an offence involving any form of fraud in connection with, or in relation to, tax has been committed and that evidence of it is to be found on premises specified." Authorising warrants were duly issued to the Revenue.

There the matter rests for some time to come. The Revenue is remaining reticent about the operation, except to say that it will take months rather than days to take any further action. It is understood that they are particularly concerned with Press's pay as you earn tax and sub-contractor records.

But in the meantime the shareholders will have to contain their impatience. The institutional shareholders are perplexed by the affair, and are hoping for an early statement from Press or the Inland Revenue which will at least clear the air of speculation.

Wilkinson backing

Institutional blessing for Wilkinson Match's controversial proposal to take over True Temper, the garden tools subsidiary of Allegheny Ludlum of the U.S., has always been recognised as vital. And this particular hurdle was at least partly straddled this week when a committee of the National Association of Pension Funds came out in favour of the deal, following the study of a specially commissioned report from merchant bankers Hill Samuel.

The late intervention of merchant bankers Samuel Montagu, which has independently prepared a second report for its own institutional clients with an interest in Wilkinson, appears, at this stage, to be largely irrelevant.

The fact remains that shareholders—excluding Allegheny and Swedish Match, with 29 per cent. and 3.9 per cent. of the Wilkinson equity respectively—will be given a chance to vote on the proposal next Friday. And given that the pensions funds, with 14 per cent of the equity, will command over 20 per cent. of the casting votes on the day, there seems little doubt that the deal will pass through. The time for talk, or the much vaunted idea of a possible second bidder, has now run out.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEB. 9

	% Change
Insurance Brokers	+ 6.7
Packaging and Paper	+ 1.1
Mining Finance	+ 0.1
Toys and Games	— 1.0
Insurance (Composite)	— 1.1
Banks	— 1.4

THE WORST PERFORMERS

All-Share Index	— 3.8
Office Equipment	— 6.4
Pharmaceutical Products	— 6.6
Shipping	— 7.5
Contracting, Construction	— 7.6
Entertainment, Catering	— 7.7
Newspapers, Publishing	—10.5

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1977/8 High	1977/8 Low	
Ind. Ord. Index	459.0	+22.8	549.2	357.6	Improved demand
Govt. Secs. Index	75.66	+ 1.20	79.85	60.45	Less fears about money growth
Avon Rubber	192	+18	205	74	Bid hopes
Bibby (J.)	207	+21	230	99	Better-than-expected results
De Beers Defd.	338	+25	338	188	Record profits & higher dividend
Falcon Mines	190	—20	210	70	Zambia/Rhodesia border incident
Fisons	347	—13	397	280	Annual results
Grand Metropolitan	100	+11	109	62	Chairman's optimism
Hawker Siddeley	190	+20	214	113	Market trend
Legal & General	163	+11	184	109	Unit assurance venture success
Marks & Spencer	151	+13	173	96	Market trend
Mills & Allen Intl.	180	+25	180	25	Persistent speculative demand
Needlers	39	+11	39	12	Return to dividends/profits
Reynolds (W.J.)	37½	+ 7	37½	6	Bid from Manchester Garages
RTZ	175	+11	247	164	Rally in copper price
Trust Houses Forte	189	+23	201	112	Chairman's optimism
Ultramar	224	+28	266	116	Good annual results
Wagon Finance	95	+14	117	44	Persistent demand
Wigfall (H.)	218	+20	276	94	Increased bid from Comet
Woolworth (F.W.)	72	+10	72	48½	Strong fourth quarter recovery

U.K. INDICES

Average week to	March 10	March 3	Feb. 24
FINANCIAL TIMES			
Govt. Secs.	75.25	74.41	74.85
Fixed interest	77.52	77.42	77.73
Indust. Ord.	448.6	439.7	450.4
Gold Mines	163.6	161.2	158.7
Dealings mkd.	4,679	4,797	4,919
FT ACTUARIES			
Capital Gds.	194.05	190.50	196.33
Consumer (Durable)	177.89	175.22	180.23
Cons. (Non-Durable)	185.67	180.75	185.11
Ind. Group	191.28	187.29	192.35
500-Share	210.97	206.91	212.51
Financial Gu.	160.35	155.30	157.89
All-Share	196.26	192.30	197.05
Red. Debs.	60.54	60.73	61.12

Unloved stocks

NEW YORK

STEWART FLEMING

INSTEAD OF putting the U.S. economy under a microscope Wall Street investment analysts might be better employed putting institutional investment managers in the nation's bank trust departments and insurance companies on a couch. That at least is one not entirely flippant conclusion which seems to emerge from a report this week by the research department of the Securities Industry Association.

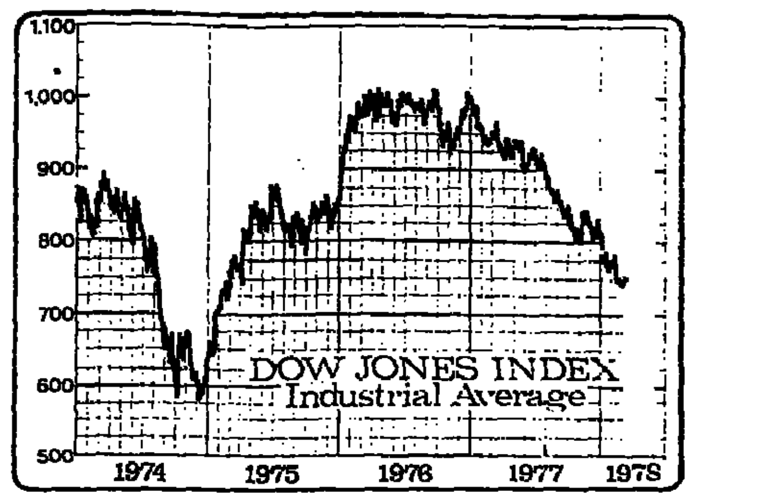
The report analyses what America's big institutional investors have been doing with the billions of dollars in their portfolios in recent years. The conclusions, while not entirely new, make startling reading when pulled together in this way.

They show, for example, that the private non-insured pension funds, the biggest holders of ordinary shares, have reduced the proportion of equities in their portfolios from just short of 75 per cent. in 1972 to only 57 per cent. in the third quarter of 1972. The figure is close to its lowest level of 56.4 per cent. hit in the bear market of 1974.

Open-ended investment companies, mutual funds, have been steady net sellers of equities since 1971, reflecting the continuous redemption of their holdings by investors. To-day net redemptions continue at record levels.

Life insurance companies are the largest institutional category by asset size with some $347bn. of total assets at year end 1977 compared with perhaps $180bn. in the pension funds. But they are smaller holders proportionately of equities with less than 10 per cent. of their portfolios in ordinary shares at the end of 1977. For the first time in the past 12 years these investment managers were net sellers of common stocks in 1977.

Short - term property and casualty insurance companies have also reduced the percentage of ordinary shares in their portfolios since 1972 when it was 27.6 per cent. But as pressure on solvency margins has eased, the level has stabilised at between 15 and 16 per cent. over the past four years and the funds have been steady, if moderate purchasers of equities in the past two years.



Many factors have been cited to explain the disenchantment of the institutional fund manager with ordinary shares, not least the performance of the shares themselves. New legal requirements for pension fund managers have also made them more conservative, and more aware of the difficulty of beating the market averages. Bonds have also been seen as more attractive and less volatile.

Perhaps the most intriguing, if not the most important question is how will foreign investors react to the bear market they are now experiencing.

The question is particularly interesting because in the past three years—up to the third quarter of 1977—the report suggests that between 32 per cent. and 41 per cent. of total net purchasers of ordinary shares have each year, been made by foreigners, with a high proportion of the funds coming from the Middle East. As the report suggests "there is no historical precedent to gauge the reaction mid-eastern investors have to a sharp decline in U.S. equity markets.

	Close	Change
Monday	742.72	- 4.59
Tuesday	746.79	- 4.07
Wednesday	750.87	- 4.08
Thursday	750 00	- 0.87
Friday	758.58	+ 8.58

Precious but rather fragile

THE DOLLAR has been brooding over the market for precious metals. The more uncomfortable it has appeared, the more precious the metals have seemed. But then, as the dollar gathered some strength, like a recovering patient, the precious metals started to look a trifle fragile.

At one stage in the middle of the week, bullion changed hands at $191 an ounce, thus recalling the heady days at the end of 1974 when the market was anticipating a rush of U.S. buying at the beginning of 1975. The price wilted, however, and closed yesterday at $186.125.

For the chartist there is nothing amiss in this downward movement. The last major resistance point was $185 and the market has been through that with ease. Analysis of the past performance of the market shows that after the breakthrough there is a tendency to move down and test the resistance level again.

On such a basis the gold price might be expected to rise again, soaring effortlessly above the magic point of $200, perhaps in the next few weeks.

But there are others in the market who are less interested in the charts and more interested in the movements of the dollar. They have noted that when the dollar recovered slightly on Thursday, the bullion price fell back.

They also feel that there will have to be some major surgical operation performed on the dollar by the U.S. monetary authorities and that when this happens the dollar will rise further and the gold price will slip down. The dollar is in such a state, they argue, that something has to be done—and sooner rather than later.

These analysts have observed the remarks Chancellor Helmut Schmidt of West Germany has been making about international confidence in the dollar and feel this emphasises the validity of their argument.

If this view is correct—and it is assumed that something actually can be done about the billions of dollars swilling around the international financial system—then the bullion market is in for a rough ride, and with it the South African gold share market.

A check to the rise in prices has already taken place. On Thursday the Gold Mines Index went down sharply after six successive days of upward movement and yesterday was 157.8, down from the highpoint for the year of 168.6 reached on Wednesday.

Falls throughout the market have been widespread but the stocks most affected have been those of the marginal mines, like Grootvlei and Marievale in the Union Corporation group, which are tightly geared to movements in the bullion price and have only a limited lifespan, as Mr. L. W. P. van den Bosch, their chairman, made clear during the week.

MINING

PAUL CHEESERIGHT

Union Corporation, incidentally, announced during the week a 9.8 per cent. rise in 1977 profits to R55.89m. (£33.26m.) from R50.9m. in 1976 and declared a final dividend of 26 cents (15.47p) to make a total payment for the year of 38 cents, compared with 36 cents in 1976.

Meanwhile the movements of the gold price have been followed to some degree by platinum, although the fundamental factors here are different. There has been strong Japanese demand while Russian supplies have been absent. But there has nonetheless been investment buying prompted by currency uncertainties.

The free market platinum price climbed to a fixing level of $240.5 an ounce on Wednesday but fell to $232.25 yesterday. While the fall owed something to the erratic movements of silver in New York, there has also been profit-taking and the unwinding of speculative positions, as the market has taken its tone from the fluctuations of the bullion price.

At this stage, however, the market still looks firm enough to induce Impala Platinum to raise its producer price. It stands at $205 an ounce and was not raised last month when Rustenburg moved up to $220.

Platinum shares have tended to move in a narrower range than the gold issues, but have responded to the movements in the free market metal price, turning slightly easier towards the end of the week.

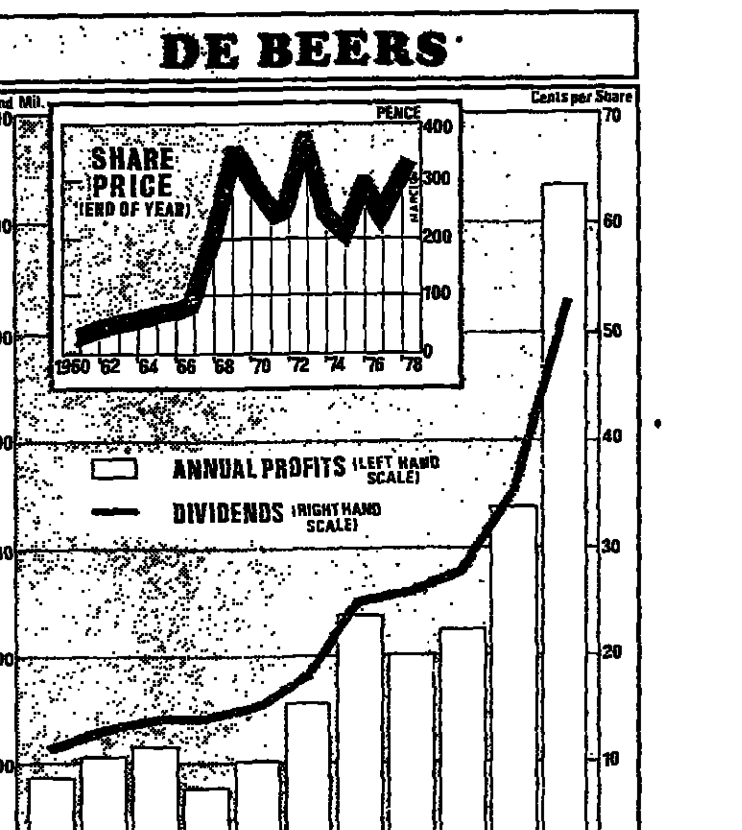
But in all the discussion about precious minerals and their role as a store of value at times of economic uncertainty, it is probable that diamonds will stand apart. While it is true that De Beers, the industry leader, had a rather leaner time in 1974-75 than it has come to expect, its performance since then has been such as to make the market consider it as a special case.

This has been borne out by the events of this week. De Beers announced record earnings and higher dividends than expected after trading hours on Tuesday. Its share price was gaining ground before and continued to do so in the days following, while gold share prices, by contrast, were falling away.

Diamonds are, quite simply, a very profitable business. Record sales from the Central Selling Organisation had been announced before the group figures came out. Indeed, demand has been so high and the market so firm that dealers in the cutting centres have been taking rough stones out of circulation and holding them as a currency hedge, a situation which De Beers warns is dangerous for the stability of the industry.

The group declared a final dividend of 35 cents (20.8p), making a total payment for the year of 52.5 cents. This is 2.5 cents more than optimistic market forecasts and 17.5 cents more than was paid in 1976.

Net earnings were R633.48m. (£376.9m.) compared with R337m. in 1976, while revenue from the diamond account was R751.15m., nearly R300m. more than the previous year.



Some border incidents

SWISS MARKETS have been going through a rough time of it in the past few days. The introduction of drastic monetary restrictions—chief among them a ban on non-resident purchases of domestic securities—has led to a substantial fall in share prices and a less marked, but still noticeable, decline in secondary bond quotations. Stockholders have been the first casualties of Government policies aimed at checking the steady rise of the exchange rate.

The first set of measures announced by the authorities actually had a positive effect on the market. Apart from a reduction of the bank rate to a historical low of 1 per cent., these included a tightening up from April 1 of the already draconian rules governing non-resident balances in Swiss francs. The punishing 10 per cent per quarter "negative interest" commission was extended to cover all such deposits exceeding Sw.Frs.5m., regardless of when they were made, and to cut by 20 per cent. the base for calculating freedom from commission of smaller balances existing at the end of October, 1974.

This was obviously likely to lead to shifts of foreign funds from bank accounts into securities, so its enforcement on Monday of last week saw a strengthening of the stock market.

But this was exactly what the National Bank and Finance Ministry had anticipated. On the same day, after trading was over, the re-introduction of the ban on foreign purchases of Swiss securities was disclosed, together with a limitation to Sw.Frs.20,000 per person per quarter on the import of foreign banknotes.

The investment ban, at first not detailed, brought about the sharpest fall in the Swiss Stock Market on February 28 since the oil crisis five years ago. Most shares suffered a decline in price of between 5 and 10 per cent. on this "black Tuesday," domestic bonds fell by some 1½ to 2½ per cent. and foreign borrowers' Swiss-franc bonds by up to 6 per cent. The immediate reaction proved to be exaggerated, but brought quotations down to well below formerly prevailing levels.

After the market had shown signs of recovery, it turned down again this week. On Sunday evening National Bank president Dr. Fritz Leutwiler had promised on television that the details of the investment ban would lead to "murmuring and gnashing of teeth." They did.

The main points in the National Bank's commentary showed that the ban—as unwillingly as the authorities had decided on it—would be more far-reaching than that in force from June, 1972, to February, 1974. The direct and indirect sales of domestic securities to non-resident aliens is prohibited, as are all secondary-market sales of foreign borrowers' bonds, private placements and financial bills. For new issues by foreign borrowers, non-resident investors will be allowed to acquire only 35 per cent. of the total. And, as a relatively minor point, Swiss banks have been forbidden to pass on further sub-participations to foreigners in loans made to non-residents and approved by the National Bank before March 3.

Prices took another dive once these facts were generally known, particularly since the Swiss franc itself had at long last weakened. On Tuesday of this week the year's biggest turnover was registered on the Zurich Bourse, with shares dropping by some 3 per cent., domestic bonds by 1 to 2 per cent. and foreign Swiss-franc bonds by up to 5 per cent. In the two first days of the week alone some listings were down by the best part of 10 per cent. Swiss investors were scared of the reduced saleability of their stock, while not a few foreigners—who otherwise would have had every reason to hang on to their investments—engaged in profit-taking in the expectation of the Swiss franc's having ended its trip into the stratosphere. Tuesday's stock price indices were the lowest so far in 1978 at 10 or 11 per cent. under the highest point and 4 per cent. below the levels on the panicky same day of the previous week.

It seems likely that things will now settle down again.

ZURICH

JOHN WICKS

This Wednesday saw much quieter trading, with stabler prices and a certain return of interest on the part of domestic buyers. It looks as though, once more, the immediate reaction was overdone.

On the domestic bond market, certainly, there appears to be little need for worry. For months now, demand has far exceeded supply and investors have been over-subscribing every new issue in the face of a continuous and rapid fall in coupons. Foreign borrowers have hardly got a look in, so keen have the Swiss themselves (particularly institutional investors) been to place their money. There are no signs of a sudden return of sufficient borrowers to absorb the very large liquidities seeking a fixed-interest home. The absence of non-resident investors should make little or no difference to the demand overhang.

When the investment ban was announced, the National Bank vice-president, Professor Leo Schuermann had said it was not likely to bring about a change in the trend of capital-market coupons. As far as domestic bonds are concerned at least, he has already been proved right. The city of Zurich, which postponed a Sw Frs.60m. issued for a few days to see which way the wind would blow, yesterday presented the bonds with an interest rate of only 3 per cent., the lowest for non-Federal public-authority bonds since the 'fifties. All eyes are now on the Zurich issue and how it will be received by the market: success or otherwise could set the tone for the near future.

As far as new foreign issues in Swiss-Franc denominations are concerned, sale of these will doubtless be affected to some extent by the introduction of a quota of only 35 per cent. for non-residents, since foreign investors have hitherto accounted for a substantial slice of subscription. However, domestic investors should continue to be attracted by the higher coupons —as long as these are high enough in view of the poorer secondary market showing. Test case here is a Sw.Frs.100m. issue at 3¾ per cent. due next week from the Swedish ASEA concern.

Observers believe there will be a considerable setback for private placements, most of which (they accounted for a total of as much as Sw.Frs.9.3bn. last year) have been going to non-residents.

On the secondary market for bonds, domestic securities are well-priced despite setbacks on Tuesday, even the recent issues in the 3¼ per cent. bracket running at or slightly over par. The latest Federal issue, a 3¾ percenter which flopped a year ago, was at around 105 even on Tuesday.

Recent foreign borrowers' bonds are now less sought after (since they are post-issue, the 35 per cent. quota for sales to non-residents does not apply) and the 3¾ per cent. bonds brought out lately by New Zealand and the Austrian Utility Donaukraftwerke have been under definite pressure. Still, yields are rising as prices fall and there could be a bottoming out very soon.

The powers-that-be, keen on retaining the institution of large-scale foreign borrowings —which totalled a substantial Sw.Fr.18.3bn. in 1977 — have lifted the two-month ceiling on total issue value in this sector, in the hope of more custom. The apparent dampening of the Swiss Franc and the very low interest rate prevailing should help to further this praiseworthy goal.

On the demand side, the huge volume of premature redemptions of both domestic and foreign Swiss-Franc bonds and private placements is taking a lot of paper off the market, with a subsequent expansion of potential investor requirements.

The investment fund sector should, other things being equal, not suffer directly too much from the new regulations. One of the exceptions to the investment ban concerns the purchase of certificates from Swiss funds with at least 80 per cent. of their assets abroad.

It is not easy to judge what may happen in the near future to the share market. A not inconsiderable sector of demand will have been removed by the ban—with a few exceptions—on purchases by non-residents: this, and the less ebullient Swiss franc, have of course, already been mirrored by the sharp decline in quotations.

At present, though, it is impossible to say how great the volume of shares will be which are repatriated from foreign ownership. Non-resident stockholders should—apart from the profit-taking sales which have been taking place in view of currency developments — be wanting to keep their securities all the more in that they are permitted to take advantage of drawing rights in capital increases (as in the bond market, of conversions, convertible-bond exchange rights, warrants and the like). Also, whether the Swiss authorities like it or not, there is bound to be some "black-market" dealing in Swiss securities outside Switzerland.

Furthermore, yields on shares, traditionally not terribly high in Switzerland, have risen like those on bonds. And—more important still—initial reports are showing that company results have on the whole been better last year than in 1976, with rights issues and in some cases higher dividends adding to the attraction of stock. Not to be forgotten is the huge liquidity at large in the country, at least some of which will be heading sooner or later for the stock market.

FINANCE AND THE FAMILY

Probate not necessary

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

My will leaves all my property to my wife. If house, banking accounts, stocks and shares and building society accounts are *all in our joint* names, will it be necessary for my wife to apply for probate if I pre-decease her?

Assuming that there are no other assets of the estate in respect of which probate might be necessary, probate would not be required to enable the assets you mention to be dealt with. For the equitable interest to pass on survivorship it would be necessary to show that the joint accounts were genuinely operated by both joint owners.

Trust account inspection

I understand that a beneficiary with a friend has the right to inspect an executor's accounts. I expect opposition in a case concerning my wife What steps can be taken if there is a refusal?

A beneficiary is entitled to see estate accounts, but not a person who is not a beneficiary or trustee. A "friend," unless qualified in his/her own right to see the accounts may not inspect. *The remedy for refusal* is a court action in the administration of the estate. You should consult solicitors if refusal is made.

Mortgage for the elderly

My wife, who is 67, and myself, 65, would like to buy our house from the council, which we understand, is willing to sell. I believe the costs of the house to us as tenants, would be about £10,000, and I could find about half this. Could you say who might advance us £5,000 on the property?

If you are able to buy your council house as a sitting tenant on favourable terms then a building society might well grant you a mortgage. They have very good security. So long as you have the income to meet the mortgage payments while you and your wife are alive the building society know that the resale value of the house is likely to provide a very healthy safety margin for them over and above the amount of the outstanding loan.

Income tax and CGT

Referring to your reply under loss on Krugerrands (February 11) in 1973 I made one dealing in silver and eventually was assessed as a trader and taxed on my profit as income. In 1975 I made several dealings in zinc futures, which I returned though they produced neither profit nor loss.
If I had bought new sovereigns, could I claim either that *dealings were not returnable*, or that profits were assessable as capital gains?

New sovereigns are exempt from capital gains tax (under section 22 (1)(b) of the 1965 Act). However, as you have submitted to case I assessments for past years, you would be hard put to it to resist case I assessments in respect of dealings in sovereigns now.

Unenforceable statements

I made a covenant in favour of my daughter, a student, which reads as follows: "I hereby covenant to give my daughter, Miss X, the sum of £600 per annum over the period of 7 years from April 1977 to March 1984, *or until* such time as she obtains full time regular employment or marries.
Signed ....
Witnessed....................."
The Inland Revenue states that this is invalid and is not a contract. *Could you tell me* what I should do? Do I need a solicitor to act for me?

We assume that your daughter is of full age. The objection which the Revenue are making is that the document you have submitted to them is not a deed but only a written statement which is *unenforceable* because it is not a contract. To cure this you must reformulate the ending to state: "In witness whereof I have hereto set my hand and seal this ...... *day of* .... 1978.
............(signature) (seal)
WITNESS the signature of..."

You should sign and seal the document (a "wafer" seal may be purchased at stationers) before a witness (not necessarily a solicitor or Commissioner) and place your finger on the seal and state to the witness: "I deliver this as my act and deed." The document will then be a Deed and your daughter will be entitled as of right to receive the payments stipulated for. It is probably sufficient to leave in the conditions of defeasance of marriage or full time work, as the period will not necessarily terminate within six years.

Daughter's earnings

My daughter, an undergraduate, has for the current academic year secured a post as "lectrice" at a French university. Her earnings up to the end of the current tax year should be about £2,000. She would also enrol as a student at the university. In my return for this tax year, do I have to declare her as no longer dependent on me, though she was until the French university year began? Should I give an estimate of her earnings, though earned abroad and probably not remitted to the U.K.?

Under article 20 of the double taxation agreement with France (date May 22, 1968), your daughter's salary will probably be exempt from French tax:

"A professor or teacher who immediately before visiting (France) is a resident of (the United Kingdom) and who receives remuneration for teaching during a period of temporary residence in (France) not exceeding two years at a university . . . shall be exempt from tax in (France) in respect of the remuneration from such teaching."

She may also escape U.K. tax under the provisions of the latest Finance Act, but this depends on the complex rules which you have no doubt seen explained in the Financial Times. In any event, she will be entitled to a deduction of 25 per cent. (under paragraph 3 of schedule 7 to the Finance Act 1977).

Following the decision in Mapp v. Oram (45TC672), your entitlement to child allowance is dependent upon your daughter's U.K. tax position. If she ultimately escapes U.K. tax on her French salary, by qualifying for the 100 per cent. deduction under the 365-day rule, you will be eligible for child allowance. Perhaps the best arrangement would be for you to assume that she will satisfy the 365-day rule (set out in paragraph 1 of schedule 7 to the 1977 Act), and to repay the excess child allowance if eventually she only qualifies for the 25 per cent. deduction, for example because of return visits to the U.K. during the vacations.

The question of remittances to the U.K. is unlikely to be relevant, following the changes made by the Finance Acts of 1974 and 1977.

Play on right of way

If my neighbours have a right of way for all purposes over an area in front of our houses, do you consider this would extend to children so as to allow them to play on the land referred to?

A right of way is a right to pass and repass over the land in reasonable manner, and not a right to remain on the servient tenement (even if moving about on it) for more than such time as is reasonable to pass over it. We think that such a right does not enable children (or adults) to play on the servient tenement.

Variations of a trust

I established a settlement in favour of a son of my first marriage, now 15, and, with the agreement of his mother, would like to terminate it. How can I do this?

You can only vary or terminate the trusts which benefit a minor by an application to the Court under the Variation of Trusts Act 1958. If the fund is under £15,000 in value this may be in the County Court, otherwise it must be in the High Court. A variation will only be permitted if it is beneficial to the *minor beneficiary*.

INSURANCE

The traumas of moving house

BY JOHN PHILIP

WHEN ONE is moving house there are so many matters to think of, so many problems that can arise, that it is as well to make a complete list of points to remember and then tick off the various items as they are achieved or arranged. High on every list must be insurance, and so that no aspect is forgotten it is best to annotate the word as to buildings and contents and in each case both for the old home and the new and then to remember to cover the actual removal.

At one time building societies used to positively direct their borrowers to a particular insurer or to one from a very limited choice. But nowadays there is no need for the prospective building society borrower to be dragooned in this way, though seldom do the building societies make this absolutely clear. Anyone already insured with a company which does not figure in the building society's panel of offices can take a firm stand and ask the building society to explain clearly why his existing insurers' policy is not acceptable.

Anyone following the building society's guidance may well find that the society arranges cover by way of a special block policy which covers not only *the buyer's but the building* society's interest in the property: where the block policy procedure is not used or where the house purchase funds are being obtained from a non-building society source then the lender may well want its interest positively recorded for the amount of the loan by say having the policy issued in joint names.

Assuming the buyer is also a seller, once he has exchanged contracts on his old house he is no longer the owner: but normally it is prudent to let the cover continue for his protection until he actively gives up occupation. Even with a large sum insured the amount of premium referable to the few days overlap of having two houses insured is minimal and quite often insurers are prepared to cover two homes all under one policy for one premium provided that overlap is only of a short duration: the cost of collecting the extra premium outweighs the under*writing benefit derived* from the charge.

Of course, contents cover is required in the old home until the day the removal men come, but it must be remembered that contents cover may be required in the new home for any items purchased with the house, or delivered there perhaps a few days before actual occupancy begins: while insurers are normally reluctant to give contents cover on houses which are unoccupied for a long time, a few days unoccupancy on the purchase of a new home should not be a problem and should not involve restrictions of cover.

Now a word on choice of insurer. Anyone moving home may well feel that this maybe the time to change insurers: my own view is that unless the policyholder has some positive reason for change—for example disagreement over a claim—it is better to preserve the goodwill that has been built up in the past and to continue to insure the new *home with present in*surers, at the same time finding out what improvements in cover they will provide, at what cost.

Dealing with the actual removal anyone having a modern "all risks" contents policy may well find on a careful reading of the document that insurers already provide removal cover, within the British Isles, without extra charge. But relatively few people have such policies and most policyholders will have to buy extra cover. Insurers' experience is that though removal cover is avail*able as* an extension to ordinary household contents policies there is little demand, and this is surely one of those areas where insurers themselves could easily stimulate the demand by positively offering the cover whenever a policyholder rings up or writes about the arrangement of contents cover in the new home.

But why insure the removal risk—what of the removal firm's responsibility? For a long while most removers have operated under conditions of carriage drawn up by the National Asso*ciation of* Furniture Warehousemen and Removers. These NAFWR conditions were always restrictive both as to liability and the amount of compensation payable, but in anticipation of the Unfair Contract Terms Act becoming operative in February, removers have been considering a revision of their terms and it seems probable that new conditions of carriage are likely to emerge in the next few months, whereby *removers* will accept a much greater burden of liability.

But for the present it is certainly unwise to rely simply on one's legal rights against the remover for transit loss or damage — and indeed it can happen that the removal driver may be utterly blameless for a road accident which severely damages his vehicle's contents.

Most removers offer their customers the chance of buying "all risks" insurance under a special blanket cover which they arrange on an annual basis. The normal practice is to offer this cover when estimating, and to include the cost of insurance in the overall charge: this may well be around 5 per cent. extra for a simple removal, perhaps more for one of long duration involving overnight or more prolonged temporary storage.

This kind of all risks cover is usually good value for money and may well be cheaper than arranging for an extension of one's own contents policy — but it is as well to have a look at the insurance exclusions before making up one's mind. Points to watch are first of all the amount of the excess any one *claim*, the extent of cover for china, glass and other fragile items and whether such items are insured only if professionally packed, the extent of cover provided for valuables and how valuables are defined — whether special arrangements have to be made for the transit of stamp collections, books and so on.

The outlook for Rhodesia

BONDS
JAMES BARTHOLOMEW

THE INTERNAL settlement in Rhodesia has produced considerable interest in Rhodesian bonds, which have recently been at their 1977-78 "highs." But at this level there must be a question over the scope for further improvement, unless a peaceable, internationally accepted Zimbabwe emerges from the present uncertainties.

There are 12 "Southern Rhodesia" Government stocks listed on the London Stock Exchange. *Their total nominal* value is £65.7m., of which £20.4m. is accounted for by the lowest coupon stock, the 2½ per cent. 1965-70. There have been no payments of capital or interest to U.K. residents since 1966, following the Unilateral *Declaration of Independence*. Capital repayment of six of the 12 is now overdue.

Local residents have done better. The Council of Foreign Bondholders reckons that £11¾m. of capital has been repaid to them, and another £7½m. of stock in local hands is still being serviced. That leaves £46½m. of stock on which interest is not being paid.

If the internal settlement proves successful, there would seem to be quite a good chance that overdue capital and back interest will be paid. Of course there is no real precedent for Rhodesia but other erstwhile British colonies in Africa have all honoured their government bonds.

The current price of £1 nominal 2½ per cent. 1965-70 is about 64p. If, say two years hence, the £1 capital and 36p accrued interest was remitted, the profit would be 72p. For comparison, 64p invested in a risk free U.K. gilt, with redemption due in two years, would return about 9p profit. The investor has to decide whether the extra 66p from the Rhodesian bond adequately reflects the danger of getting nothing at all.

But if the bonds do not appeal, there are two other ways of profiting should there be a successful settlement.

Investing in the British companies with some Rhodesian assets has the advantage that all will not be lost if the settlement goes wrong, but by the same token, the shares will not do particularly well in the event of success. The old favourite on settlement hopes, Turner and Newall, has unco-operatively, though doubtless prudently expanded its European and American operations. Therefore its Rhodesian assets as a percentage of the whole are no longer so significant.

Stockbrokers Grieveson Grant reckon that, of the companies which publish their Rhodesian profits, Stocklake Holdings has the largest percentage of its earnings (44 per cent.) in Rhodesia. Bestobell comes next with 12½ per cent., then BET and Kenning, with 8 per cent. apiece. Lonrho has important interests there too, and so does John Brown, but recent developments have tended to reduce the relative importance of Rhodesia to them.

RHODESIAN-RELATED INVESTMENTS

	Recent price (p)
Bonds, 2½% 1965/70	63
Bonds, 6% 1978/81	92
Wankie Colliery	36
Falcon Mines	195
Rhodesian Corporation	20
Stocklake Holdings	84
Bestobell	143
Lonrho	68
Turner and Newall	184

It is important to consider, with the British companies, *whether they consolidate* the profits made in Rhodesia or not. Lonrho, Bestobell and BET do so, while John Brown, Turner and Newall, Kenning and Stocklake Holdings, more conservatively, leave them out. Consequently declared earnings of the former companies will not receive a boost from a settlement except insofar as trading conditions might improve.

As for Rhodesian companies, 20 to 30 of them are traded in London from time to time. Surprisingly, they are not subject to the dollar premium. This anomaly must surely end if the settlement works, and if precedent is followed U.K. shareholders stand to make an overnight gain of about 37 per cent. (at the present premium level).

The five Rhodesian shares most commonly traded in London are Falcon Mines (main interest: gold), M. T. D. (Mangula) (copper), Rhodesia Corporation (various interests), Wankie Colliery (coal) and Coronation Syndicate (gold and subject to the dollar premium). One obvious problem in buying these shares is that you take almost as much of a view on a specific commodity as on Rhodesian politics.

Another important difference between Rhodesian shares and the bonds is that dividends from the shares are kept in blocked accounts in Rhodesia for the person who held them when the dividend was paid. So a new buyer of, say, Wankie Colliery, would not receive any back dividends in the event of peace. On the other hand a new buyer would quickly build up *dividends due to him*, since the current yield is 18 per cent.

Choosing between the three possible avenues of investment is not easy. But the British companies on the whole will not be sufficiently affected, and the bonds might not be repaid for a long time or in full even if there is a settlement. So, if you have some money you don't mind losing the local shares might be best.

A question of geography

TAXATION
DAVID WAINMAN

UNITED KINGDOM residents are charged income tax, as a generality, on all their income whether it comes from this country or abroad, while non-residents pay tax on income which arises in this country. These are very broad generalisations, and their universality is frequently obscured by quirks in the law's application. For instance the resident foreigner pays tax on overseas dividends only if they are brought to this country. This is not a violation of, but in conformity with the principle—because income in this instance is defined as dividends remitted rather than all overseas dividends.

Territoriality is the term used to describe the charging of tax on income arising in this country but payable to non-residents. Like so much else in our tax legislation, it is less than totally simple and straightforward.

Determining whether income *arises here or elsewhere* is a prime requirement. With some income this is not difficult. The overseas earnings of a non-resident, for instance, could not be said to "arise" here, even if his employer happens to be a U.K. company. On the other hand if he has a job while here on a short visit, he will have income which arises here. The source of his earnings is in each case the employment, the nexus between employer and employee, and its geographical location is usually clear.

In the case of some other classes of income, it is, however, *necessary to use arbitrary rules* to fix the source. A debt is generally taken to be located where the borrower is resident. Interest paid by a U.K. resident borrower therefore constitutes U.K. source income despite the fact that the lender may be a non-resident.

Since it is U.K. source income, the Inland Revenue authorities are interested. They recognise that recovering tax from non residents is problematical: the courts of overseas jurisdictions are uniformly hostile to suggestions that they should enforce our tax collections for us. The Inland Revenue's approach is therefore the familiar, trusty route of requiring a deduction at source.

An individual who pays interest to a non-resident is *required by law to deduct at* source income tax at the basic rate, and to pay that tax over to the Revenue. Even if the lender is a company, it is income tax to which it is liable, not corporation tax. The latter is relevant to non resident companies only if they are trading through a branch in this country.

The non resident may not relish having U.K. tax deducted at source from his interest, but in normal cases the payer has no alternative. It is precisely because the debt is within the territorial scope of U.K. taxes that deduction of tax is enforceable.

Once the borrower has paid over the tax to the Revenue, his entitlement to a reduction of his own taxes on account of the interest payment is subject to exactly the same rules as apply for interest paid to U.K. residents. For instance, a house can be purchased with funds borrowed from a non-resident, and the interest on up to £25,000 of that borrowing qualifies in the normal way.

There are certain overseas countries whose double tax conventions with this country exempt their residents from U.K. tax on interest paid to them from here. The payer's obligation to deduct tax at source is in this case removed (provided that he clears the position with the relevant branch of the U.K. Revenue) but this does not alter his entitlement to a reduction of his own liabilities.

Where life gets more tricky is where without conventional exemption, the non-resident lender nevertheless insists that tax is not deducted against him. One possibility is to change the geographical location of the source. To use an analogy, alimony paid under a U.K. court order must have tax deducted at source, but there is no right or obligation to deduct tax from payments made under the order of a foreign court. The foreign order is geographically outside the scope of U.K. tax legislation.

So how can you locate a debt outside the U.K., when the borrower is resident here? The answer seems to be a specialty contract: a borrowing under a deed, sealed outside the U.K. by the parties. It is possible but inadvisable to make the deed subject to English law, because the implication would be that any suit against the debtor would be in the U.K. courts, this itself being at odds with the foreign-ness of the contract.

Interest under the specialty borrowing "arises" where the ded is located. A non-resident therefore escapes U.K. tax liability, and the resident borrower avoids the obligation to hand tax over to the Inland Revenue. If a reduction of his own tax would not have been available for U.K. interest paid, then a foreign specialty borrowing will not alter his tax situation.

Deductibility for the borrower, if it were available for a U.K. debt, is, however, more heavily restricted in the case of a foreign borrowing. The law allows a deduction only if finance is raised exclusively for the purpose of the U.K. resident's trade or profession, and either the trading or professional activities for which the funds were borrowed are themselves abroad, or the interest payment is in a currency other than sterling.

The relevant section in the Taxes Act contains a mass of further requirements. What it might appear to the layman to be short of is logic. The location of normal borrowings could be regarded as somewhat arbitrary, and that of specialty contract borrowings hardly less so. It is then less than self evident why two disparate classes of business interest, and only those two, should qualify for relief when paid on such foreign debt. But that is what the Act says, and that is the only self evidence acceptable to the Inland Revenue.

YOUR SAVINGS AND INVESTMENTS

Drummond keep cool

BY ERIC SHORT

HOLDERS OF the Drummond Life Assurance Bond may well have been perturbed this week when the news broke that Drummond Assurance Society had been banned from accepting any further business by the Chief Registrar of Friendly Societies. Although this news was not altogether unexpected —there had been reports of legal action being taken by certain investors against Drummond Investors—it could well have been the harbinger that the Society was in difficulties. After all, a few years ago when some life companies ran into trouble, the first indication came when the company was banned from accepting any new business.

However, I understand that the Registrar found that the Society was managed efficiently and that members' money was being invested in accordance with the rules of the Society. His reasons for banning new business were that the amount spent on expenses was excessive and that the Society lacked independence of operation. So, at least members need not worry concerning the safety of their investments.

The current position is that Mr. M. Anderson, the only full time official employed by the Society, is still handling the administration alone and on an unpaid basis. This administration is continuing as normal. Mr. Anderson is accepting premiums, investing money into units, and handling any claims that arise. This is reassuring news and I would have thought the Registrar would have published it. But apparently his hands are tied by the law.

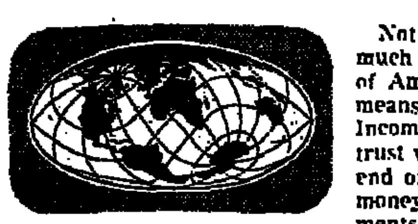
What is the future of the Society now that the ban has been imposed? There are two possible courses of action, assuming that the ban will not be lifted. One is to dissolve the Society and pay back the assets to the members. The other is to find another friendly society offering similar benefits and arrange for that society to take over the assets, liabilities and administration. It is understood that preliminary contact has, in fact, been made with another society.

But ultimately the choice rests with the members. One important difference between friendly societies and life companies is that friendly societies are run by members and have considerable rights in law. But they would be strongly advised to support any action for a transfer of benefits to another society. Experience in the past, when certain life companies ran into trouble, suggests that it would be preferable to keep the friendly society going, rather than put it into liquidation. It takes at least six months to dissolve a friendly society, even one that has all but died a natural death and has only a handful of members left, all of whom live in the same area.

The best advice for members at this stage is to sit tight and carry on as normal. But if they want to get out then their policy must have run for one complete year before they can do so. Meanwhile, Mr. Anderson hopes to write to members in about a fortnight, setting out the position. The address of the Society is now c/o Kingmaker House, Station Road, New Barnet, Herts.

Affluent and expatriate

BY ADRIENNE GLEESON



HOWEVER GREAT the disrepair into which the more junior parts of our educational system are fallen, there is one export from Britain which still commands a ready market: the skilled expatriate. It is, however, already plain that whatever the financial inducements —and they are many and various—working abroad brings with it financial problems too.

As Harry Brown points out in the new edition of Money Management and Unitholder's eminently sensible publication, Working Abroad*, the big decision for the expatriate who would invest is to identify the object of the exercise. Obviously there is a temptation to put all that excess income to dramatically profitable use: but the risks inherent in investments like commodities are quite as real in Abu Dhabi as they are in Aldershot: and anyone who wants to be certain of coming away with something tangible at the end of his overseas tour would do better to choose a rather more mundane medium.

Choice can be a problem for the British expatriate, however, for the very simple reason that the offshore funds which are most likely to suit his needs are debarred from publicising their services in Britain. With this in mind we propose, over the next few weeks, to take a look at some of those institutions which serve the needs of the overseas investor, with a view to seeing what they have to offer.

We're starting with one of the pillars of the American financial establishment, Bank of America, and one of the pillars of the British merchant bankers S. G. Warburg. Both of them offer a portfolio service for people with a lot of money — some $400,000 in the case of the first, and a minimum of $250,000 in the case of the second. If you have that sort of money, then you can ask for a package expertly tailored to your own particular requirements. If not, you'll have to settle for one of their funds.

Not that that will do you much harm. In the case of Bank of America, settling for a fund means settling for Worldinvest Income Fund, a Jersey-based trust which was launched at the end of 1976, and which puts its money into fixed interest investments, mainly bonds. Now obviously, with such an investment, there are two elements to profit or loss: the capital and income performance of the bonds themselves, and the relative behaviour of the currencies through which the fund is invested.

Still, most offshore funds are dollar dominated, and the gyrations of that particular currency are something you may have to live with. By its lights Worldinvest is conservatively run, with some 35 per cent. of the portfolio now in short-dated investments. The minimum you can put in is $1,000.

You would need some $5,000 for S. G. Warburg's nearest equivalent, its Mercury Eurobond Fund, in which the minimum investment is 500 shares. This is one of the four funds run by Warburg out of London, the others being the Gresham Street Dollar Fund (basically for Warburg private clients), the Convertible Bond Fund, and Energy International.

Warburg also run a couple of funds out of Jersey, their Common Market Trust—unusually successful, for a fund invested in European equities, thanks to some clever currency choices—and its Transatlantic Market Trust.

**Working Abroad? A Money Management and Unitholder Publication: £6.50.*

Tracking the backroom boys

WE READ a lot about what the "analysts" are saying about company profits, and how these sliderule boffins (who actually use electronic calculators these days) influence stock market thinking. But what are they actually saying? Until now it has been hard to keep track of the prognostications of these backroom analysts, who mostly inhabit confined and cluttered spaces in stockbrokers' offices. But now the Paris-based T. R. International has launched "European Earnings Estimates," a monthly tabulation of the views of 32 leading banks and brokers across Europe on the earnings prospects of almost 800 major U.K. and Continental companies.

Recently the analysts have been sharply revising downwards their forecasts for the earnings of U.K. companies. The FT's back page Lex Column, for instance, has estimated that 1977-78 profits of the 30 companies in the FT Industrial Ordinary Index are now expected to be almost a fifth lower than the analysts were forecasting during the euphoria of last September, when the Index reached well over 500.

The monthly issues of E.E.E.* will enable investors to keep up to date with changes in the thinking of analysts. But the service is worthwhile for big investors only—the annual subscription costs £150. And that is one estimate that is unlikely to be subject to downward revision.

**Available from T.R.I., 42-45 New Broad Street, E.C.2.*

BARRY RILEY

Pension rights and home responsibilities

ONE MAJOR theme to the new State pension scheme, which starts next month, has been that ultimately all women will receive a pension in their own right, and will no longer have to rely on their husband's contribution record. Indeed, that woman's liberator incarnate, Mrs. Barbara Castle, who as Secretary of State was responsible for the new scheme, regarded this point as a mainspring of the new system.

But to qualify for a full basic State pension women need to contribute for about 90 per cent. of their working life. And since, even in these enlightened days, most women take many years out of employment to bring up a family, it would be difficult for them to achieve this contribution qualification. However, all is not lost. The necessary regulations have been laid before Parliament to ensure that women off work to bring up a family or look after relatives do not lose out in this respect.

This, the home responsibility provision, again a product of the efforts of Barbara Castle, will do much to bring about pensions for women in their own right. It comes into operation on April 6, and will apply to women who are already off work bringing up a family or looking after relatives—provided (and this all important) that they have not elected to exercise the married women's option to pay reduced contributions. In fact the concession does not apply to any women who have taken this option. But even in respect of those who have not cut their contributions, only time spent out of work after this coming April will count.

All details are contained in a leaflet, issued by the Department of Health and Social Security, entitled "Looking after someone at home" (NP27). This sets out how you can claim home responsibility: but since as far as one can ascertain in some cases you have to apply, and in others it is allowed for automatically, it would be best to go along to your local DHSS office for advice.

Incidentally home responsibility can also be claimed by men who are bringing up a family or looking after relatives.

But what about your qualification for the earnings-related additional pension? Well, I'm afraid that the home responsibility provision does not apply here. Your extra pension, if you belong to the new State scheme will be based solely on your contribution record. But since the maximum pension is based on only 20 years of service (the most profitable 20 years), women should be able to qualify for it taking into account contributions before as well as after the period off work. That consideration should influence the time when you decide to go back to work.

What about membership of the company pension scheme? Under the Employment Protection Act, your employer has to hold your job open for you while you take time off to have your baby. And you are automatically readmitted to the firm's pension scheme, without going through a further qualification period. But you cannot claim credit for time spent bringing up a family. The company scheme is equivalent to the earning-related part of the State scheme.

ERIC SHORT

Earnest interrogation

IN BRITAIN most company directors work upon the assumption that, at least until things go seriously wrong, their shareholders can be relied upon to see no evil, hear no evil, and speak no evil at all. If Grand Metropolitan's meeting, earlier this week, is anything to go by, the availability of cut-price offers to shareholders is likely to give rise to the most persistent questioning, with the virtues of real ale running it a close and determined second.

In America, it seems, they take their company meetings very much more seriously. There, company directors, or at any rate their auditors, expect some very tricky questions. In fact, the U.S. arm of Whinney Murray, Ernst and Ernst, has issued a booklet for the company director who, in the best boy scout tradition, would be prepared. "Stockholder Meetings," it is called: "Financial Questions Which May Be Asked."

And what a formidable series of questions it is! It's true that the whole thing starts off innocuously enough, with the earnest investor considered likely to inquire: *What percentage of last year's sales increase was due to price increases? To volume increases? What effect did foreign competition have on operating results?* But it progresses into deep water very rapidly thereafter.

For the U.S. investor, it seems, takes nothing at face value. On the contrary, the accountants reckon, he will want to know the story behind the scene: *Are there plans to discontinue the operations of any major segment or major product?* he may want to know. *Are there any special risks associated with the company's principal export sales market? Any new opportunities?* Nor will this grilling be confined to the past or present: harassed directors might have to do some crystal ball-gazing too. *Do you anticipate,* they may be asked, *any changes in operations or market conditions that will have a significant effect on the company's profitability? Does the company expect to experience any significant shortages in materials or supplies?*

Supposing they manage to emerge from all this with their sang still froid, the company's directors may still have to endure ordeal by shame. Not for the U.S. investor the reticence which characterises his British cousin (unless there are cut price offers to be discussed). He might come straight out and ask: *Has the company made any political contributions or improper payments? Were any embezzlements or defalcations discovered?*

Whether he would get a straight answer is, of course, a different matter. But the crafty, pertinacious shareholder might stand a better chance. After all, at some point his directors are going to weary and falter beneath this interrogation. Consider the plight of the British director, required to explain to shareholders whether *any governmental agency has proposed any action which could adversely affect earnings.* He would himself need a drink, real ale, cut price or otherwise, at the end of that.

A.M.G.

In sickness some wealth

WE HAVE written several articles on the need for the self-employed to make their own pension provision, because State benefits for them are minimal. But similar considerations apply with respect to sickness benefits, since the benefits provided by the State are not exactly generous. Yet there has been very little attempt to bring the products available from life companies in these circumstances to the attention of the public.

Now a small life company, Planned Savings Assurance, has brought out a scheme which combines pensions provision, term assurance and sickness benefits in one contract. The advantage of doing it this way is that the self-employed investor gets full tax relief up to the 15 per cent limit (maximum £3,000) on all the premium, including that for sickness.

The self-employed need sickness payments more than those who are employed, since all too often they will have to hire a replacement to keep their business going while they are out of action. The State will at present pay £14.70 per week for a single person, with £9.10 per week extra for a non-working wife. But there is no earnings-related supplement. After six months, this would be replaced by an invalidity benefit of £17.50 for a single person (£28 for a married couple) until the age of 65. An income of at least £100 per week would probably be needed to cover the cost of hiring replacements. So the self-employed obviously need to consider this point carefully.

The only drawback to the Planned Savings Scheme would appear to be that the investor would have to wait at least 13 weeks before receiving any benefit. I would have thought that this period needs to be shorter, even if it does mean increasing the premiums.

E.S.

PROPERTY

Buildings at the bottom of your garden

BY JUNE FIELD

ARE YOU sitting on a goldmine in your garden? Pearsons Farnham office think owner-occupiers could be, quoting as encouragement the case of a freehold ½-acre building plot with outline planning permission in Wrecclesham which produced over 60 inquiries and an offer to purchase on the first day of it going on the market. Nine other prospective buyers came forward, and a sale was agreed to the highest bidder in excess of £15,000. Much the same thing happened with a similar plot during the last few weeks.

"People seem to be frightened of selling land because of the tax position," says Mr. J. F. Russell, one of the senior partners at Pearsons. "Not enough owner-occupiers (and that's an important factor, that you live in the house and that it is your principal residence), realise that if the house is in an overall area which does not exceed an acre, it might be worth carving off a bit of the garden and selling it, as the deal, providing it meets all the necessary qualifications, is tax exempt.

"You need to apply for planning permission for a dwelling of course, but that is where your local surveyor comes in. And even if the project comes within the scope of the development land tax, with allowances, any liability can be substantially reduced."

Sentiments echoed, as it happens, by Nigel Moor and Robert Langton in a special report published this week, "Planning For New Homes," the plain man's guide to the planning jungle. In a useful housing A to Z, which includes some of the tasks carried out by a building company involved with a major housing scheme, they list Planning approval: "A most valuable piece of paper. Without it the land is not worth so much. The grant of planning approval has brought great wealth to the fortunate landowner who happens to have land in a suitable location. This has given rise to a debate still not complete on how such financial gains should be taxed." The entry under House Types, is revealing too. "Builders usually prefer to build standard house types, subject only to elevational changes dictated by local circumstances. This is because they already know the customer's reaction to them and have a clear idea of the cost of production."

Supposing, therefore, you decide to buy some land and do your own thing? If you want a fairly basic house then there is no reason why you shouldn't get together with your local builder, but for something more elaborate you will undoubtedly need an architect. The Royal Institute of British Architects have produced a useful leaflet, "Thinking of Building?" which they will post free from their Clients' Advisory Service, RIBA, 66 Portland Place, London, W1, or you can telephone 01-580 5533.

The leaflet tells you how to find your architect, what and when to pay, and lists some tips such as making sure that you state your requirements and budget clearly, and always to go through your architect's proposals at the design stage, so as to avoid changing your mind once the building contract has begun. "Take an interest in construction but never give instructions direct to the builder — only through your architect."

At RIBA they told me that a good barometer of current design thinking are the various architectural awards schemes run by themselves, the Department of the Environment, and Eternit, the world's largest manufacturer of asbestos cement materials. The operative word as one might expect, is traditional.

"The housing designs that are winning awards are traditional in appearance — that is, with two stories (split-levels are not as popular as they were a few years ago), conventional pitched roofs (a withdrawal from the era of flat-roofs), and very few open plan lay-outs. At one time every showhouse you went into promoted the togetherness of open-plan. Now with the problem of heating vast areas, there is a return to the conventional room, with smaller, self-contained spaces which are less energy consuming."

Sad, sad, sad. Where are the dream houses of yesteryear? Gone it would seem, in a haze of central heating that in many cases is too expensive to use, and of course the fact that houses win design awards does not necessarily mean that they are what we really want.

Perhaps it makes more sense after all to buy what is on the market, without going through the traumas of building, which don't get any less. You can take your pick from 20th-century Elizabethan manors, rebuilt Victoriana, genuine Georgian gems, and split-level modern.

Plot 11 at Baredown, Nateley Scures, near Basingstoke, with an access to the M3 motorway about three minutes drive away, fulfills the last category. Just completed, it is on offer because the owner is going to work abroad. Its rather severe lines, complemented by a vast expanse of grey slate roof, fit well into the gently sloping ½-acre site which is set back from the road and runs down to a small copse. The split-level accommodation includes four bedrooms, two bathrooms, and an unusual galleried landing with a balcony. Price £37,750 through Pearsons, 27 London Street, Basingstoke.

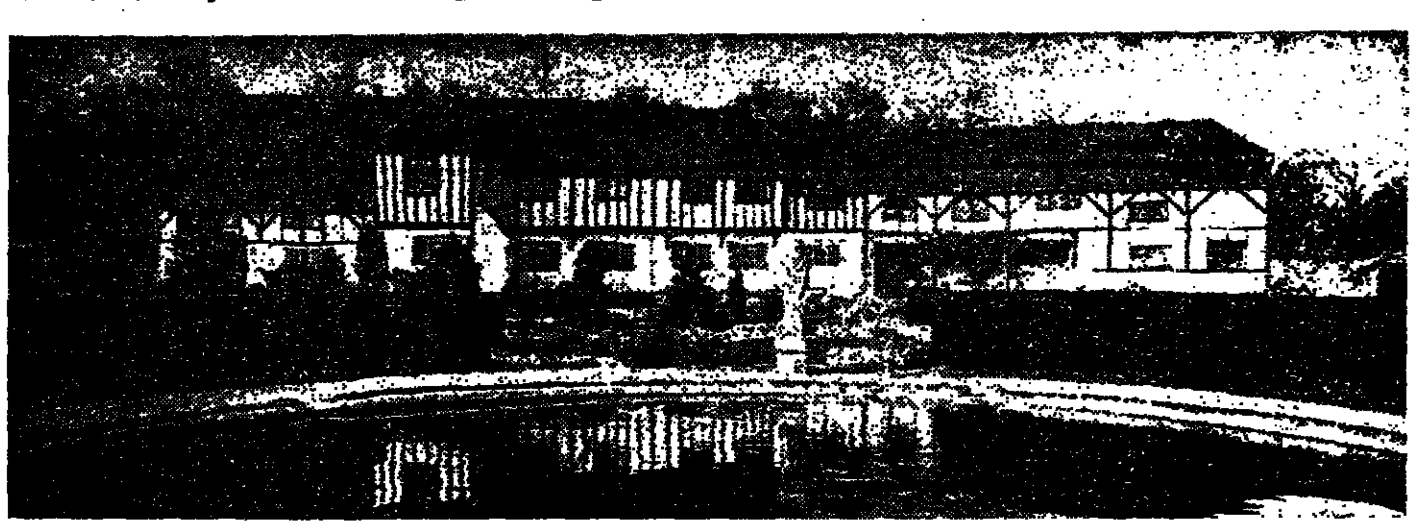
If you want to tuck yourself away in the splendid isolation of Sherwood Forest, Inkersall Manor, Rufford, 15 miles from Nottingham, is in 14-acres of Robin Hood country, bordered by Forestry Commission land. Built in this century in the style of an Elizabethan Cotswold manor, in rustic red bricks with stone-mullioned windows, it is a handsome looking place with seven bedrooms, three bathrooms, 41-foot reception hall/drawing room etc., which could be divided into two self-contained wings. The joint agents Strutt and Parker, Grantham, and Henry Spencer and Sons, are looking for offers in the region of £50,000.

Overdeans Court, Dippenhall, near Farnham, Surrey, is a singularly authentic replica of a half-timbered Elizabethan manor. It was built by Mr. H. Faulkner, a local architect, of original materials largely from the remains of Hardwick Hall, on whose site the house stands. Mr. Faulkner, who at 90 was still laying bricks from a wheelchair, built five other replicas of Elizabethan houses in the Farnham area, the rent for one of them being a Friday lunch! He also rebuilt a large part of Guildford High Street, worked on Guildford Cathedral, and restored parts of the town centre of Farnham.

Overdeans comes complete with three-bedroom staff wing, minstrel's gallery, fine plaster-work to a study, wood carvings to the staircase balustrades, wide oak planking on the floors, murals in the entrance hall, and a full quota of fireplaces. There is also a self-contained staff wing with three bedrooms, and the pretty two-acre grounds and orchard were laid out by the renowned landscape gardener Gertrude Jekyll. Full details from the Ascot office of Knight Frank and Rutley, who are asking for offers up to £200,000.

Knight Frank and Rutley's Hanover Square offices are agents for The Moyle House, Tupwood Lane, Caterham, which stands in about 7½ acres, although it can be bought with less land. A price in excess of £70,000 is being asked. Moyle House is built on the site of a large Victorian mansion built in 1890, and subsequently mainly demolished. Although the present house incorporates parts of the original, its shape shows nothing of its Victorian antecedents. There are two living rooms and a games room, four bedrooms, two bathrooms, and a self-contained flat in open-plan style. KFR are also selling Hollybank, Burwash Common, Sussex, which dates from Georgian times, and has been extended. For £60,000 or so you will get three living rooms, four bedrooms, two bathrooms, and a built-in sauna, as well as eight acres, paddocks, a woodland and orchard area, three loose boxes, workshop, barn and garage.

Georgian extended is Hollybank, Burwash Common, Sussex, for sale through Knight Frank and Rutley, 20 Hanover Square, W.1. Inside there is exposed timbering and other attractive features from the original cottage. There are three living-rooms, four bedrooms, two bathrooms and a sauna. The eight acres includes paddocks, loose boxes, workshop and barn. Price in excess of £60,000.



Handsome reproduction Elizabethan manor, Overdeans Court, Dippenhall, near Farnham, Surrey, comes complete with splendid drawing-room, minstrel's gallery, fine plaster-work to the study, wood carvings to the staircase balustrades, wide oak planking on the floor, murals in the entrance hall, and attractive fire-places. There is also a self-contained 3-bedroom staff wing. The pretty 2-acre grounds and orchard were laid out by renowned landscape gardener Gertrude Jekyll. The Ascot office of Knight Frank & Rutley are asking for offers up to £200,000 for the freehold.

Computer lets

COMPUTERS HAVE been the subject of much discussion in relation to estate agency, although relatively few have in fact been installed. However, Hampstead-based agents Benham and Reeves, who say that they are probably the largest residential letting agents in the country, took the plunge, and their computer, handling top-of-the-market residential lettings only, has now been in operation for some six months.

The equipment took seven months to instal, and the agents had to create their own programme into the bargain. But on the other hand they estimate that in its six months operational use the computer has paid for itself: and that it does the work of three people.

The computer is programmed to take in details of all new instructions, giving all the information needed for internal use. It gives a print-out of relevant information for potential tenants and it also provides a management service once the properties are let. The would-be tenant is sent a print-out of all the properties within his specifications that are currently on the agents' books. This print out comes with a personalised introduction quoting the name of the staff member handling his inquiry.

On subsequent days an updated printout is sent listing all the new properties which have come on the books since the original inquiry, and this continues, until, ideally a letting is concluded.

Scotland's boom

THE CURRENT housing boom in Scotland, particularly the Lothian area, could be short lived if building societies are forced to cut down their level of lending, warn Bernard Thorpe and Partners, the surveyors and valuers with offices in Glasgow and Edinburgh, as well as the rest of the country.

Competition to buy houses in the region has increased, and with fewer houses on offer prices have increased, in some cases by more than 10 per cent. since the beginning of the year.

But Thorpe warns that later in the year more property might well become available and this could lead to a more stable and less sensational housing market.

The firm also warns that buyers should be aware of possible increases in rate assessments over the next five years, and this should perhaps dampen some of the present over-optimistic euphoria on house prices.

Since the turn of the year, however, prices have risen considerably, particularly in Edinburgh where tenement flats have been very popular. In some areas flats which were selling in the £10,000 to £11,000 range in December are now changin[g] hands at £12,000 or more.

Because the market is s[o] active few sales are now b[y] negotiation and instead it [is] normal to have a fixed closin[g] date for offers. The market f[or] larger stone built houses is pa[r]ticularly strong with man[y] offers being made on some pro[]perties.

One market which has bee[n] slow is for out of town propert[y] but even this is now beginnin[g] to improve. New houses to[o] which were selling slowly las[t] year are becoming more popu[]lar, although greatest deman[d] of all is for property in th[e] more established residentia[l] areas of Edinburgh itself.

In the current buoyant mar[]ket it could be a mistake to sel[l] to the first interested party, an[d] before the current boom reaches its peak prices of pro[]perty outside the Edinburgh conurbation are expected to rise further.

The market for country houses is expected to increase and there are more inquiries for this type of property than this time last year. Demand for farms and agricultural estates is expected to pick up later this year, particularly from institutions.

PROPERTY

ESTATES AND FARMS: LAND FOR SALE: INVESTMENTS: LONDON AND COUNTRY PROPERTY: OVERSEAS PROPERTY:

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MOTORING

Opel's diesel or petrol choice

BY STUART MARSHALL

The droop-nose, high-tailed Opel Rekord is aerodynamically styled to save fuel and keep the windows clean in dirty weather. This is the most luxurious model, the £5,150 Berlina HL.

IN EVERY WAY, the new Opel Rekord fits in between the Ford Cortina and Granada. Thus the Rekord Berlina I have been driving is longer overall and in wheelbase and wider than the Cortina, slightly shorter and narrower than the Granada.

It is four inches higher than either of the Fords, which doesn't stop it looking agreeably sleek in profile, but the extra height shows as soon as you sit in it. The Rekord's headroom and window area are more than generous.

At £4,754 the Berlina (the Rekord with second best trim) is £880 dearer than the two-pedal Cortina 2000GL but just over £1,000 less than the larger engined Granada 2300GL. Ford do not list a Granada 2000GL automatic, which would relate more closely to the two-pedal Berlina. But the comparison does show how far up-market Ford have moved with their latest Granadas which, like the Opels, are all-German products.

Whereas the Cortina and Granada are clearly close relatives, the Rekord is a distinctive looking car and will presumably remain so until an Anglo-German successor to the Vauxhall VX (it used to be called the Victor) comes along. The Opel's bonnet droops for excellent forward visibility; the slightly raised haunches make for extra space in the boot.

Opel, who reckon to sell over 22,000 cars here this year compared with 16,250 in 1977, see the new Rekord competing with everything in the £4,000 to £7,000 executive car brackets ranging from the aged Vauxhall VX to the new Rover 2300. The pricing, though, shows that the rivals they are really out to take sales from are the Granada and, to a lesser extent, the 2-litre and V6 engined Cortinas.

By now I must have driven well over 1,000 miles in various Rekords here and in Germany. My experience of the new Granada and the latest Cortina is more limited. Even so, I am prepared to say that the Rekord rides better than the Cortina—especially for rear passengers—though not quite so shock-absobently on secondary roads as the all-independently suspended Granada. In most respects other than ride it seems closer to the Granada.

The Rekord has a nice solid feel about it as it cruises on the motorway at 70 mph or on the autobahn at up to 90-95 mph without excessive engine or wind noise. The four-speed manual gearbox is on a par with the Cortina's and I prefer it to the Granada's; the automatic transmission shifts very smoothly. At full throttle, it holds low range to over 40 mph and middle to 70 mph.

The non-powered steering is pleasantly light on the move and not too heavy when parking; power assistance is a £261 optional extra. Handling is positive, the driving position ideal and the powerful, simply controlled heating/ventilation system was a boon in the recent weeks of arctic weather.

In Germany, Rekord buyers have a choice of five engines including an economy 1.7 litre and a 2-litre with fuel injection which boosts the maximum speed to over 110 mph from the normal 105 mph. Here, there is just one petrol engine—a 100 hp, single carburetter 2-litre—or a 2,1 litre, 60 horsepower diesel, carried over from the previous model.

Because of a sticking automatic choke, I was not able to obtain an accurate petrol consumption for the Berlina. Opel claim between 22-31 mpg for the automatic, 23-33 mpg for the manual. I did a good deal better than that with the Rekord diesel earlier in the month.

In exchange for a considerable drop in performance (20 mph off the maximum, twice as long to accelerate from 0-60 mph), the Rekord diesel goes much further on a gallon of fuel. On a trip from Kent to Gloucestershire, cruising at 65-70 mph on M4, it took 5.5 gallons of DERV at an exorbitant 90.5p a gallon to brim my tank at Membury service area after 208 miles—a consumption of 37.8 mpg. It pays never to fill up on the motorway: later the same day I bought DERV at Brentford at 86p. In central London, tanker drivers' work to rule notwithstanding, it was cheaper still. A few weeks ago you could buy DERV in Mayfair, of all places, at 74p.

The Opel diesel is not the quietest or smoothest of its kind. It starts from cold with an explosive rattle, but becomes more subdued when warmed up. Even in severe frost it fired up instantly after a 20 second wait to pre-heat the glow plugs and then pulled without hesitation.

At its just over 80 m.p.h. maximum the diesel is not as quiet as the petrol engined car at 90 m.p.h.-plus. Its ideal cruising speed is between 65 and 70 m.p.h. Go faster than that and it starts to sound like a twin engined aircraft with the engines out of synchronisation. Anyone old enough to remember the sound of a World War II German bomber over London will know what I mean.

Diesels, and particularly the Opel's are at their best giving less than their maximum power. In snow, the Rekord was impressive. The diesel's massive pulling power at low speeds in third or top took me up hills on which other cars had come to a wheel-spinning stop.

As always, I enjoyed driving the diesel, but I think Opel have priced it too high. At £5,065 the 2.1D is £800 more than the cheapest petrol Rekord saloon and the 2.1D estate — a fine, roomy one—costs £675 a find, roomy one — costs £675 more than the normal estate de luxe. That kind of differential is enough to frighten off buyers who would like the diesel's economy but have to watch initial cost.

BRIDGE

E. P. C. COTTER

FOR TO-DAY'S hand I am indebted to Jean Besse, the great Swiss international. The contract reached by South was, to say the least, optimistic, but his handling of the dummy was masterly. Let us see what we can learn from this interesting deal:

N.
♠ K 8 4
♥ A 9 3
♦ K 7 3
♣ 9 8 4 3

W.
♠ A J 6 5
♥ K
♦ Q J 6
♣ K 10 7 6 5

E.
♠ 10 9 2
♥ J 7 5 2
♦ 10 9 8 4
♣ Q 2

S.
♠ Q 7 3
♥ Q 10 8 6 4
♦ A 5 2
♣ A J

West dealt at love all and opened the bidding with one club. When this was followed by two passes, South protected with one heart, and North raised to two hearts. Most Souths would have been quite content to play in a part score contract, but our South pressed on with three hearts, and his partner raised to four.

West led the Queen of diamonds, on which East dropped the ten, and the Ace won. The declarer led the four of hearts to the table, and the fall of West's King was a welcome sight. Winning with dummy's Ace, he returned the nine, which held the trick, and followed with another heart, which was won by the ten. On these two tricks West discarded first the five of clubs, then the five of spades.

Now South started to do his homework. West's club discard indicated almost certainly a five-card suit—he surely would not have thrown a club from a four-card suit in view of the four clubs on the table. Again, the spade discard must mean that West, marked with the Ace of spades, started with four cards in that suit. To discard a spade from an original three-card holding would run the risk of restricting West to one trick in the suit. Then there was West's opening lead of the diamond Queen—this would imply that West did not hold King, Queen, ten of clubs. In that case East probably held Queen and another club.

Having formed a picture of West's pattern—four spades, one heart, three diamonds, and five clubs—the declarer cashed his Queen of hearts. This not only drew the last trump, but it forced another discard from West. A club would allow the fourth club in dummy to be set up, a spade would enable South to lead to the King and duck a spade return, thus establishing his Queen. West *had* to part with a diamond.

This would not cost a trick—East had shown good diamonds—but it deprived West of an exit card. Discarding dummy's low diamond, the declarer crossed to the diamond King, and returned a club, finessing the Knave. West won and returned a club to the Queen and Ace, leaving this ending:

N.
♠ K 8 4
♥ —
♦ —
♣ 9 8

W.
♠ A J 6
♥ —
♦ —
♣ 10 7

E.
♠ 10 9 2
♥ —
♦ 9 8
♣ —

S.
♠ Q 7 3
♥ 8
♦ 5
♣ —

The spade three from South forced West to play low, and the King won. The nine of clubs was returned to the ten, South throwing his losing diamond, and now West could choose whether to give dummy the eight of clubs or declarer the Queen of spades for the tenth trick.

No one denies that South overbid. No one denies that he was lucky, extremely lucky, to lose no trump trick. But no one can fail to admire his logical reconstruction of the West hand, and his perfect technique and timing.

CHESS

LEONARD BARDEN

THE PROSPECT of a teenage world champion grew last month when Maia Chiburdanidze, a 17-year-old Tiflis schoolgirl, won by 7½-6½ in the final eliminator against Alla Kushnir at Bad Kissingen.

The current woman champion, Nona Gaprindashvili, also from Tiflis, has held the title since 1962 for one of the longest reigns in present-day sport. Last year at Lone Pine, Nona, who has beaten off several Kushnir challenges, defeated three male grandmasters and achieved a male GM norm; she is clearly the best woman player ever.

The remarkable feature of women's chess is how many of the top players are not just USSR or ex-USSR nationals, but Georgians. Besides Nona and Maia, the last world title challenger was a Georgian as is the next best girl player after Maia. Kushnir's origins are, exceptionally, Muscovite; she emigrated to Israel three years ago and married the prominent Israeli banker, Marcel Stein.

Against this galaxy of talent, the West has little chance. England won the silver medals at the last world team championship at Haifa (East Europe boycotted the event and the gold went to a team of ex-Russians, led by Kushnir, representing Israel) but women's chess here is starved of funds.

Not since 1971 have we been able to stage a full-scale, nine-round international tournament; and our two best girl players, Sheila Jackson and Susan Caldwell, who won silver medals at Haifa, lack the opportunities given to their contemporaries in Eastern Europe.

Bobby Fischer once said: "I can give knight odds to any woman." Fischer proved curiously unwilling to maintain his challenge when the Russians wanted to accept it on behalf of Nona, but the image has stuck. Few male chess players will credit the possibility of a chessic Rixi Markus.

Maia Chiburdanidze could be the player to prove them wrong. Given her present standard, already close to male international master, her youth, and the training she receives in the USSR, she has good chances to surpass even Nona's results and to become the first woman of genuine male grandmaster strength.

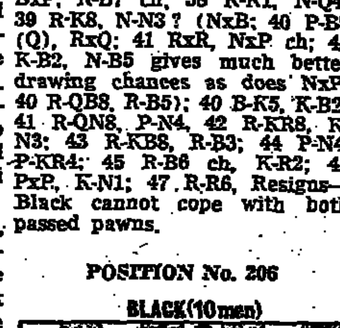
As further evidence, play over this week's game with its fine grasp of the strength of rook and bishop against rook and knight on an open board—a type of finish sometimes known as the Fischer-Karpov ending after their successes with it.

White: Maia Chiburdanidze (USSR). Black: Alla Kushnir (Israel). Opening: Caro-Kann Defence (4th match game 1978).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-QB3, PxP; 4 NxP, N-Q2; 5 B-QB4 KN-B3; 6 N-N5, P-K3; 7 Q-K2 (threat 8 NxBP). N-N3; 8 B-Q3, P-KR3 (not QxP; 9 KN-B3 followed by N-K5 and NxKBP); 9 N5-B3, P-B4; 10 PxP, QN-Q2; 11 N-K5, NxN; 12 QxN, N-Q2 (a psychological success for White; Black, standing 1-2 down in the match, avoids the simplifying Q-R4 ch and QxBP in favour of a complex but inferior line); 13 Q-K2, NxP; 14 B-N5 ch, B-Q2; 15 BxB ch, QxB; 16 N-B3, B-Q3; 17 0-0, 0-0; 18 P-QN3, KR-Q1; 19 B-N2, Q-B3; 20 QR-Q1, Q-K5; 21 QxQ, NxQ; 22 R-Q4, P-B4? (weakening the K4 square—after N-B3 White's Q-side pawn majority is probably not enough on its own to win); 23 KR-Q1, KR-QB1; 24 P-B4! (rightly assessing 24 RxB, NxR; 25 RxN, RxP; 26 R-Q2, QR-B1 as good for Black), R-B3; 25 N-K5, R-QR3; 26 P-B3, BxN; 27 R-Q8 ch, RxR; 28 RxR ch, K-B2; 29 BxB, N-B3; 30 R-QN8, RxP (P-QN3; 31 P-QR4 traps the rook); 31 RxP ch, K-N3; 32 R-K7 (White's only error—32 P-B5! is better). R-R6; 33 P-B5! RxP; 34 P-B6, R-N8 ch; 35 K-B2, R-QB8; 36 P-B7, P-B5! (best chance); 37 BxP, R-B7 ch; 38 K-K1, N-Q4; 39 R-K8, N-N3? (NxB; 40 P-B8 (Q), RxQ; 41 RxR, NxP ch; 42 K-B2, N-B5 gives much better drawing chances as does NxP; 40 R-QB8, R-B5); 40 B-K5, K-B2; 41 R-QN8, P-N4, 42 R-KR8, K-N3; 43 R-KB8, R-B3; 44 P-N4, P-KR4; 45 R-B6 ch, K-R2; 46 PxP, K-N1; 47 R-R6, Resigns—Black cannot cope with both passed pawns.

POSITION No. 206

BLACK (10 men)



WHITE (9 men)

From a recent postal game. White (to move) has sacrificed a pawn for a promising attack, and now faces a familiar difficulty when there is nothing obvious in sight. Should he (a) regain the pawn by 1 RxP (b) play 1 N-Q6 ch to stop Black castling or (c) play another move?

PROBLEM No. 206

BLACK (10 men)

WHITE (8 men)

White mates in two moves, against any defence (by B. C. Ashford, Stourbridge).

Solutions Page 2

GOLF

Fazio: part poet, part genius

GOLF

BEN WRIGHT

THERE IS A GOLF course architect lurking deep in every golfer I have ever met. On most occasions the alterations they would make to every course they visit to make it so much better are in reality a means of excusing to themselves the bad shots they have just played. I am sure every single one of us has said and heard such criticisms as: "How much better this hole would have been if that damn fool architect had put this bunker on the left of the green instead of to the right." The fact that the golfer in question has just pushed a sloppy seven iron shot into the sand is rather more than incidental.

By far the most vociferous and outspoken critics of golf architects, however, are touring professionals. There has been many a time I have sat and listened as one by one they have torn the course they have just played to shreds and put it together again in their own way. If one ever bothered to tot up the cost of such an exercise it would certainly run into millions of pounds or dollars. But would the course then be a better test of golf? Not necessarily.

George Fazio, with whom I have been privileged to play golf for the last week, is generally recognised as one of the three best golf architects in the world. And he freely admits to having been one of the loudest critics of all. Fazio, now 64, was runner-up to Ben Hogan in the 1950 U.S. Open, but did not turn his attention to golf course design until much later. As he told me: "I was such an ego maniac I honestly believed the job would be easy. But how else can you get into the business but talk your way into it?"

Fazio succeeded in this objective in 1959, when he designed and built the first two of well over 100 courses—Atlantis in Tuckertown, New Jersey, and Moselem Springs in Reading, Pennsylvania, which he still regards as two of his best. His nephew Tom joined his uncle in the business at the age of 14, is now 32, and is gradually taking the burden of travel away from George before inheriting a booming business.

The older Fazio resolutely insists on building all his own courses because, as he says bluntly: "If things go wrong there is no one to blame but myself." He is currently building a second course at Jupiter Hills, a Florida phenomenon just north of Palm Beach, in that the hills are natural—not man-made—and considerable in a state whose hundreds of golf courses are largely flat as pancakes.

Fazio was originally persuaded to view the area much against his better judgment by a persistent real estate salesman who took him miles out of his way—he was heading for the airport. Not only did George miss his flight; he was so enchanted he stayed 14 days and built the first Jupiter Hills in 90 more. He told me: "Naturally in such a short time I made lots of mistakes, but I have been correcting ever since, and am nowhere near being satisfied yet. But when I built Butler National in Chicago in my own time, not a blade of grass had to be changed."

This restless, creative and immensely loveable character of Sicilian extraction surrounds himself with books on the great painters like Leonardo da Vinci, Rembrandt, Goya and Michelangelo, maintaining that a golf architect has to incorporate such infinite variety into his work. It is George's fondest ambition to make his courses all so different that they will not be recognisable as the work of one man. But he is failing in this, if only because his courses are instantly identified for their excellence and subtlety.

Jupiter Hills, ranked in the top 20 courses in America, is a work of art created by a man who is part poet and part artist on a bulldozer. Fazio took out all the palm trees, and has so far planted some 20,000 more trees of all shapes and colours, predominantly pines. The course now has an uncanny likeness to the best you can find in Britain built on silver sand, rather like a superior version of Rosemount at Blairgowrie. Not a single home is visible from any vantage point either on the course or from the clubhouse, and Fazio and his great friend William Clay Ford had to buy out their nine partners in the project after a bitter battle to keep it that way.

The wild bird and animal life adds to an atmosphere of utter peace. I came across a mother boar and her five offspring drinking from one of the dozen or so beautiful lakes and ponds, and was considerably shocked when looking up to see a huge doe regarding my practice swings with an air of amused interest. The buzzards gather in the trees in late afternoon to view the hackers passing by with more than a touch of cynicism, and alligators abound.

Not one hole is even vaguely similar to another in any way, and the quality of the four par threes as a group is only excelled by those at Harbourtown. Perhaps the greatest praise one can bestow on Jupiter Hills is that everyone I know loves the course more every time they play it, despite its sometimes diabolical difficulty. Yet from the far back championship tees it is but 6,550 yards in total length.

To Fazio's mind, golf holes are often called great because of the views they offer, and he will change holes radically to make the most of such important and beautiful outside influences. But his new course at Jupiter will differ radically from anything he has done before. Unlike the vast majority of American courses, his will feature carries over wilderness and scrub from practically every tee in the British manner.

Suddenly, as we were talking, Fazio rushed out of the clubhouse and was gone. The next morning so had a group of trees that had been blocking the most marvellous imaginable sunset view of the dramatic 10th—yet another master stroke by a genius.

Riches at the rainbow's end

TENNIS

JOHN BARRAT

ONE OF the topics that create unceasing interest and provokes endless discussion in sporting circles is the earning power of to-day's top tennis players.

Since open tennis began in 1968, the sport has evolved as a major industry and the quest for dollars — the universal currency of the sport — occupies the total attention of a growing band of men and women who happen to be able to project a fuzzy white ball across a net better than most.

In ten short years, the prize money available in tennis has outstripped the rewards from golf, motor racing or any other any individual sporting pursuit. Except for the world heavyweight boxing champion, only professional football and basketball in America offer comparable rewards to its star performers, and even then the depth of earning power cannot match the staggering amounts currently being banked by the top tennis players, several of whom have followed Rod Laver's 1971 entry into the select band of tennis millionaires. The following lists show there are now 11 men whose career earnings have exceeded the magic million, and one woman, America's Chris Evert. Another six women have passed the $½m. mark.

Career earnings: Men—1, Connors, $1,887,974; 2, Nastase, $1,624,956; 3, Laver, $1,540,000, approx.; 4, Rosewall, $1,510,267; 5, Vilas, $1,499,067; 6, Ashe, $1,320,000 approx.; 7, Ramirez, $1,215,330; 8, Borg, $1,119,285; 9, Smith, $1,118,658; 10, Orantes, $1,118,232.

Women—1, Evert, $1,529,738; 2, King, $980,303; 3, Wade, $784,911; 4, Casals, $696,444; 5, Natratilova, $612,262; 6, Cawley, $610,000 approx.; 7, Stove, $508,195.

The growth has been startling—almost indecent. In 1968 the top four men earned a total of $252,181. Last year the equivalent quartet won from tournament play alone a total of $1,990,795—this from a total pot of more than $10m. Not until 1970 did a player win more than $200,000 in one season when Rod Laver's $201,453, was hailed as a major breakthrough for the sport.

But in 1975 there were four men who exceeded $200,000 and a further nine who passed $100,000. The top 13 that year netted $2,172,810. The following year 10 men earned more than $200,000 with six more exceeding $100,000 while their combined total rose to $3,564,499.

Last year's figures illustrate the recent acceleration in prize money growth. At the bottom there were 54 players with earnings of between $10,000 and $20,000. A further 113 players from 23 countries earned more than $20,000. Of these, 18 had passed $100,000 and 11 had exceeded $200,000. The combined earnings of the top 10 men were $4,069,245, a figure which ignores the lucrative Team Tennis contracts and the exhibition matches which are an increasingly important source of revenue.

The chief source of income in men's tennis has been the Grand Prix competition, a points-linked circuit of tournaments with a bonus pool share-out at the end of the year. In 1970 the first such pool of $150,000 carried a top prize of $25,000. By 1976 the pool had swollen considerably and the top prize was $150,000. Last year Guillermo Vilas won a staggering $300,000 for heading the $1.45m. pool and this year the top prize will rise to $350,000 from a total fund of $2m.

The women, too, have moved forward, albeit at a slower pace. Since Gladys Heldman's pioneering tournament in Houston in 1970 when eight women played for prize money of $7,500, there has been a steady growth of women-only tournaments headed by the $1.25m. Virginia Slims circuit, supported for the past two seasons by the Avon Futures tour on a promotion/relegation basis.

In 1976 the top 10 women earned a total of $1,317,611 with five players breaking the $100,000 barrier. Last year nine players exceeded that figure and the income of the top 10 climbed to $2,162,366.

The impetus for the Grand Prix was provided by World Championship Tennis, the independent Dallas-based group owned by Lamar Hunt and operated by ex-British Davis Cup player Michael Davies. It was WCT's $1m. tour in 1971—a threat at the time to the established events — that prompted the International Federation to raise to $1.5m. the prize-money for this Grand Prix circuit which had started life the previous year as an experiment suggested by Jack Kramer. This year WCT has prize money of $2.47m. and has become part of the Grand Prix. The wheel has come full circle.

The gladiolus and its family

GARDENING

ARTHUR HELLYER

NO one visiting garden centres or stores in which plants are sold is likely to overlook the fact that this is the time to plant gladioli for their plump, russet coloured corms are enticingly displayed everywhere, often with coloured illustrations to depict the gorgeously coloured flowers. Yet it would be easy to visit any number of such retail outlets and remain totally unaware of the vast range of gladiolus varieties that could be available. I say "could be" because each year it seems to get more difficult to buy more than a dozen or so varieties, few of them those that one has noted at flower shows as being particularly beautiful.

In a way it is the success of the gladiolus that has brought this about. They breed so easily and there has been such a demand for them that there has been gross overproduction of new varieties many of them almost indistinguishable from old varieties. With such a welter of new material, it is impossible to keep up with it all and almost equally impossible to decide which varieties are really the best. In fact a plateau of excellence was reached many years ago and it is unlikely that there will be any further major improvements, at any rate along conventional lines.

Yet new varieties must be produced even to stay where one is because of the susceptibility of the gladiolus to virus diseases which do not kill but gradually weaken plants until they are no longer worth growing. The infection is passed on from generation to generation in the corms but not in the seed so old varieties, increased by the natural multiplication of corms, must in the end be replaced by new varieties raised from seed.

The effect of all this is for retailers to accept from the big commercial producers whatever varieties are growing well at the time. There is always a good range of colours and types available but precisely what names those varieties will bear is difficult to predict in advance. Many of the cheaper retail outlets no longer even bother to put names on the varieties but sell them by colour and size.

Since all are likely to be good it does not really matter if one is buying gladioli solely for garden display or cutting but the real gladiolus enthusiasts and exhibitors will wish to be more selective and so will buy their corms from the few mail order firms which still offer a good range of named varieties.

Whichever way one buys gladioli there are a few points to observe when choosing the corms. First of all there is no need to buy the largest, and therefore the most expensive, in order to get good results. Unlike the bulbs of daffodils and tulips, in which the embryo flowers are already formed inside the bulbs and may be missing from the small ones, gladiolus corms are purely food storage organs with growth buds. The very large ones, marketed as jumbo corms and 60mm. or more across, will have more growth buds and, given good cultivation, may produce several flower spikes but, as they will be crowded together, they may not be of the greatest possible size or perfection.

Medium size corms, 45 to 55mm. in diameter, are likely to give one flower spike each and are probably the best buy if one is looking for flower perfection as they give the plant a strong start but are unlikely to produce more than one flower spike each. So, if fairly widely spaced, say 20cm. (8 inches) apart in rows at least 45cm. (18 inches) apart, each plant will do itself full justice. However, even quite small corms, around 35mm. in diameter, can give excellent flowers and may be quite adequate for garden decoration.

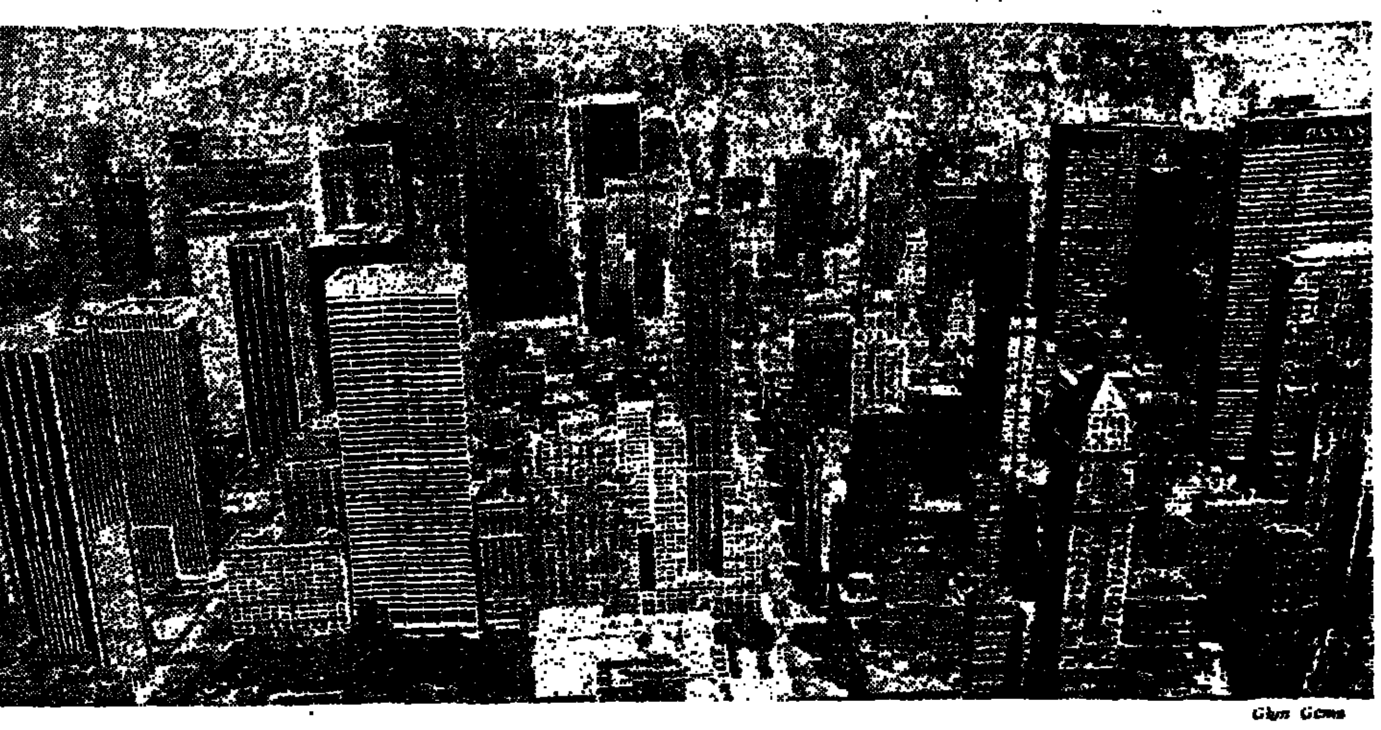
It is impossible to detect virus infection in the corms and the best protection against this is to purchase only from reliable sources. Other diseases, caused by fungi, can be seen and corms that have depressed brown or blackish spots or scabs should be rejected. If such corms turn up in home grown gladioli it is not necessary to destroy them unless they are very severely affected but before being replanted they should be soaked for ten minutes or so either in a captan fungicide prepared according to manufacturer's instructions for spraying, or in a suspension of calomel made by stirring 6 grammes of this into a litre of water. (1oz per gallon).

If gladioli are required primarily for cutting for home or exhibition there is no problem as to how to grow them. They should be in straight rows somewhere not too visible from house or lawn so that the plants can be staked easily and the flowers cut without being seriously missed. If the garden is large enough to allow for a cut flower border that is the obvious place for them; if not a row or two in the vegetable plot may be right.

I find it much more of a problem to know what to do with gladioli required primarily for garden display for, although they are spectacular for a few days, they get shabby as soon as the lower flowers commence to fade. Of course one can make a daily chore of removing them but even so the denuded spikes soon get to look scraggy. My own solution, moderately successful, is to plant gladioli among low growing herbaceous perennials and annuals which will clothe them at the base and mask their decline in beauty. It is probably not the best way to produce high class gladioli for they do like plenty of food and moisture and the competition of other plants does them no good. It also makes it more difficult to stake and tie the spikes individually and that is what the large and heavy ones really require, but it saves time since the gladioli find quite a lot of their own support growing up through the stems of their more branching companions. It suits me well but maybe it would not suit more tidy-minded gardeners.

While buying gladioli do not forget that there are other less publicised corms which should be planted during the next few weeks. High on this list I place Crocosmia masonorum, a relative of the montbretia but with more spectacular, orange-red flowers borne on a slender stem which arches in such a way that the open flowers look straight up at one. The leaves are broadly sword-shaped and ribbed, quite a handsome addition to the garden and this is an admirable plant for a warm, sunny border. Recently it has been hybridised with both montbretias and that old, but almost forgotton plant Curtonus paniculatus (it used to be called Atholyza paniculata or Aunt Eliza by irreverent gardeners). Some first-class garden plants are now appearing from this piece of intelligent breeding and I am just planting Lucifer which is possibly the best to be released to date and has flowers that are much redder than those of C. masonorum. I doubt that it will yet be available in the shops and garden centres but a few specialist nurseries have it including Bressingham Nurseries and Beth Chatto.

TRAVEL



Glyn Genin

New York! New York! . . .

BY JOHN WYLES

THOSE OF us who love this city and want visiting friends and relations to like it often have a real problem. It first becomes apparent during the taxi ride in from Kennedy Airport when the first blush of excitement of arrival has passed and the visitor can be seen sureptiously checking the terms of the holiday insurance policy to make sure it covers in voluntary immolation in a yellow cab. New York taxi drivers are infexted with the rhythm of their city which beats hastily and with impatience.

They have made many a passengers wish he or she had stayed at home and the famous Manhattan skyline is often only a partial distraction for the jet lagged and now apparently death-defying traveller. Once threaded through the mid town tunnel and delivered onto the Island of Manhattan, the visitor's fragile spirits may yet sink at street level. One cannot be constantly bent over backwards marvelling at skyscrapers and so the eye level prospect is of a city centre both elegant and decaying with the balance tilted very definitely in the direction of the decaying.

First impressions, then, may not be anything like as positive as the initial glimpses of London or Paris. Since this bankrupt city cannot afford a glamorous face-lift, there is nothing that can be done about this. New York must be accepted on its own terms, which are a set of massive contradictions: architectural splendour sits alongside drab and dilapidated eyesores, just as extremes of wealth and poverty coexist with some times uneasy tolerance. In order to squeeze the most enjoyment out of this extraordinary diversity, the visitor must leave behind at Kennedy Airport the rag-bag of preconception formed by a media for which New Yor kis the convenient stereotype of Sodom and Gomorrah. It is a tough and, in parts, very violent city, but it is not the slaughterhouse of innocents which the film industry would have us believe.

It is a city whose acquaintance is best made by walking, and all of the restaurants, museums, shops, art galleries, and architectural landmarks which the tourist is urged to see and visit can be safely reached on foot at most hours of the day and night.

But there is a violent assault in store for the visitor because his senses will be pounded by the kaleidoscope of delights which it offers. There are few countries in the world whose sons and daughters are not now numbered among the citizenry of New York and some of whose

New York-Peking hot line

cultural characteristics are not to be found somewhere in the city. The great American melting pot has done a poor job in submerging origins, with the result that New York is an amalgam of neighbourhoods whose identities may be predominantly Irish, Greek, Polish, Italian,

Your Week-end £: Austria 27.80, Belgium 60.25, France 9.22, Italy 1,590, Greece 67, Spain 150.75, Switzerland 3.71, U.S. 1.9125. Source: Thomas Cook.

Chinese, Puerto Rican, Philippino or Indian. (This list is by no means exhaustive.)

Gastronomically, New York has a bewildering variety and immense number of restaurants with which to tease the appetite. For most visitors the choice, not the price, will be the problem. Hundreds of fast food emporia take care of the bottom end of the market by supplying the inevitable hamburger and its variants for from about 50 cents upwards. A number of snack restaurants and coffee shops offer soup, pasta and cheese dishes for a little more while the price of a good restaurant meal may range from $7 to $40 a head.

For a soup snack, Le Potagerie on Fifth Avenue at 47th Street is highly recommended, the Trattoria Siciliana on Second Avenue at 28th Street offers some of the best pasta in town, The Hunam on Second Avenue at 45th Street the best Szechuan cooking I have discovered, and Maxwell's Plum on First Avenue at 63rd Street offers exquisite and expensive ($20 to $30 a head with wine) cooking in extravagant art deco surroundings.

Maxwell's Plum is worth visiting for a drink just to take in the look of the place and the look of the people at the bar looking at the place when they are not looking at each other. For Maxwell's Plum is also one of the many singles bars which proliferate on the East Side and First and Third Avenues.

Between 50th and 90th Streets and First and Third Avenues though they have been unkindly referred to as "cattle markets for the unattached middle class," these bars have helped bring a vigour and appeal which makes this part of the city a very popular night life centre.

New York caters no less extravagantly for the outer needs of the modern man or women. The ethnic mix means that somebody somewhere is selling what you need, or did not think you needed until you saw it. If you are in search of an attayef (a Syrian nut-filled pancake) it can be purchased in Brooklyn, if you have love potions on your mind, there is a little place on Third Avenue, for Ukrainian blouses go to Seventh Avenue and to Christopher Street for a do-it-yourself harpsichord kit.

Inevitably, the viistor will be attracted to the great department stores, Macy's, Gimbels and Bloomingdales, to name but three. Many of these stores display goods in far more imaginative and lavish settings than are usually seen in Europe but they are extremely large and can occupy a great deal of the browser's time. Moreover, there is much more to shopping in New York than the big name stores and in many other parts of the city there are two prices for goods, the asking price and the price the shopper is willing to pay. Even some Fifth Avenue shops can be persuaded that your means are a little more modest than they may appear. But the real bargains are to be had in the more dilapidated areas of town—clothing, cameras and electrical goods should always be priced first in the dingy and decaying shops of the lower East Side between Delancey Street to the north and Canal Street to the south.

Canal Street runs through the heart of Chinatown which stands at one extreme of the ethnocentricity of New York's populations. Once the battleground of warring tongs, New York's Chinatown has settled down to peaceful commercialism and is the home of about 10,000 of the city's 75,000 Chinese. The area is colourful, crowded and noisy and the eating can be marvellous.

Chinatown is just one of several areas in New York where one of the immigrant groups has stamped its personality on a large area of the city

For those bent on more spiritual pleasures, New York has a surfeit of excellent museums and art galleries. Naturally the visitor will follow his own particular tastes but if time and energy are in limited supply priority should be given to the Metropolitan Museum of Art, the Museum of Natural History, the Frick Collection, the Museum of Modern Art and the New York Cultural Centre. Not forgetting that New York is an exhibit in itself, it can be seen to good effect from the tops of the Empire State Building and the World Trade Centre or more languidly from the deck of one of the circle line boats which offer a three hour cruise around Manhattan.

Broadway and Times Square offer the best taste of the essential vulgarity of New York and although there are some film titles that would never have made the Great White Way a few years ago, it is a favourite area for New York families taking an evening promenade in spring and summer. It is still also the home of the New York theatre where tickets are expensive by London standards and hard to obtain for many shows without booking well in advance.

If you are planning to visit New York in July and August bring plenty of light clothing and as much tolerance as you can muster of high temperatures and sopping humidity. Bring tolerance whenever you come and extend it to the weather-beaten nerve-shredded New Yorker. Wherever you go he will be telling you to have a good day or a good weekend but beforehand he may have argued over his tip or have studiously ignored you when you were waiting for service. His love affair with the city is summed up in the oft-repeated statement "It could only happen in New York."

He's right and that is why it is worth visiting.

. . . and how to get there

By MICHAEL DONNE

WHILE THE current Anglo-U.S. discussions on the future levels of transatlantic air fares continue in Washington, no one can say with certainty what price he well have to pay for a flight on a scheduled airliner between the U.K. and the U.S. this coming summer. The British want to see the status quo prevail until August, with no more cheap fares being introduced until the airlines themselves can tell more clearly just what effect they are having on their revenues—whether the plethora of cheap rates already introduced is likely to bankrupt them or not. The Americans, on the other hand, want to see many more cheap rates introduced—and soon, from April 1.

In the meantime, therefore, prices for the summer months are something of a guessing game, for airlines and travellers alike. The most likely situation, subject to whatever emerges from Washington, is that existing fares will stay, perhaps varied slightly, with the outside chance that some more cheap rates will be introduced.

So, as a guide only, it can be said that travel across the North Atlantic this summer will range all the way from the most expensive, which is Concorde at first-class plus 20 per cent. (or £431 single, £862 return, London-New York), through first-class at £356.50 single or £713 return, down to the cheapest scheduled rate, which is Laker's Skytrain at £59 single from London, and $135 (about £69 single) from New York, a round-trip equivalent of £128.

In between, there is a vast mass of fares, varying according to the time of year in which the journey is made, the length of stay in the country visited, and the type of flight undertaken. For example: to vie with the Laker Skytrain, the six scheduled airlines with services between London and New York (British Airways, Pan American, Trans World Airlines, Air-India, Iran Air and El Al of Israel) all offer Stand-By rates of £64 single from London, and £85 single from New York a round-trip equivalent rate of £149. Stand-By tickets mean what they say—they are only available from 4 a.m. on the morning of departure, if there are seats left unsold that would otherwise go empty. The passenger takes his chance, with no reservations allowed.

Along with Stand-By, and at the same rates, are the Budget-Plan offers by these airlines. Under this scheme, the passenger gives the airline at least 21 days' advance notice of the week in which he wants to fly, and the airline gives him at least ten days' notice of the flight to which he has been allocated. It means a guaranteed seat, at the same price, without the uncertainty of Stand-By.

Similarly, there are the Advanced Purchase Excursion (APEX) fares (14-45 days), of £153 return from London, whereby the passenger books and pays 30 days in advance, getting a guaranteed seat there and back. Going up in price from this are the Economy Class Excursion rates, varying according to whether the passenger buys a 14-21 days' duration ticket (he stays not less than 14 days and not more than 21 in the U.S.) or a 22-45 days' ticket. The former costs £293.50 return, from London, and the latter £254. In addition to these there are Youth Fares, Immigrant Fares, Group Inclusive Tour and Incentive Group Fares at rates which offer travel at varying rates, but which tend to cater for specialist groups or minorities. By far the majority of the scheduled Atlantic travellers of to-day move under the Economy Excursion tickets or APEX rates or the new cheap Skytrain and Stand-By fares.

Outside the scheduled airline market, there are the various charter operators, of whom among the biggest is Jetsave, offering again a variety of rates for Advance-Booking Charters according to season and destination in the U.S., ranging upwards from about £126 return. It is impossible to give here all these variations, and the would-be traveller is advised to get the Jetsave or other operators' brochures and fares lists.

Indeed, the best advice any would-be traveller can get is to "shop around" for his flight. If he has time to do so and can make the necessary 30 days' advance booking that is generally required for things like APEX and Advance Booking Charters.

If he doesn't have time, he can take his chance on Skytrain, seeking a seat through the Laker office at Victoria Station, or at Gatwick Airport, or if he fails there, moving on British Airways, Pan American and TWA's London offices for a Stand-By ticket—or vice versa. Although these airlines are not allowed under the rules to take telephone reservations for the tickets, they are permitted to tell telephone callers whether or not there are Stand-By tickets available after 4 a.m. on the day of departure, so that a would-be passenger can discover whether or not it is worth the journey to the town ticket office or not. It is up to the individual airline whether it goes this far to be helpful to would-be Stand-By passengers—some do, some don't, and the attitude seems to vary from day to day. But it is always worth trying the telephone call.

Another good piece of advice is to ascertain well before departure from New York just what getting a Stand-By or Skytrain ticket entails, so as to avoid last-minute panics. In New York, for example, Laker Airways' Skytrain office is out in Queen's and not at Kennedy Airport, and a would-be passenger who tries to get, say, a British Airways' or Pan Am Stand-By, and fails, has a trek to Laker's office. The tickets may be cheap, but the rules ensure that the passenger has to work for his bargain.

This week's announcement of a proposed new British Caledonian package, including an ultra-cheap £69 "Eleventh Hour" fare to Los Angeles cannot yet be obtained—it will not be available until August 1, and only then if the U.K. and U.S. Governments agree.

LEGAL NOTICES

No. 9 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Liverpool District Registry Group "A". In the Matter of EARTHMOVING MACHINERY (U.K.) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 2nd day of March 1978, presented to the Court by FORWARD CHEMICALS LIMITED whose Registered Office is situate at Waterloo Road, Widnes in the County of Cheshire, and that the said Petition is directed to be heard before the Court sitting at St. George's Hall, William Brown Street, Liverpool 3 in the Metropolitan County of Merseyside, on the 22nd day of March 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BERMANS,
Trident House,
31/33 Dale Street,
Liverpool L2 2NS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person, or firm, or his or their Solicitors (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of March 1978.

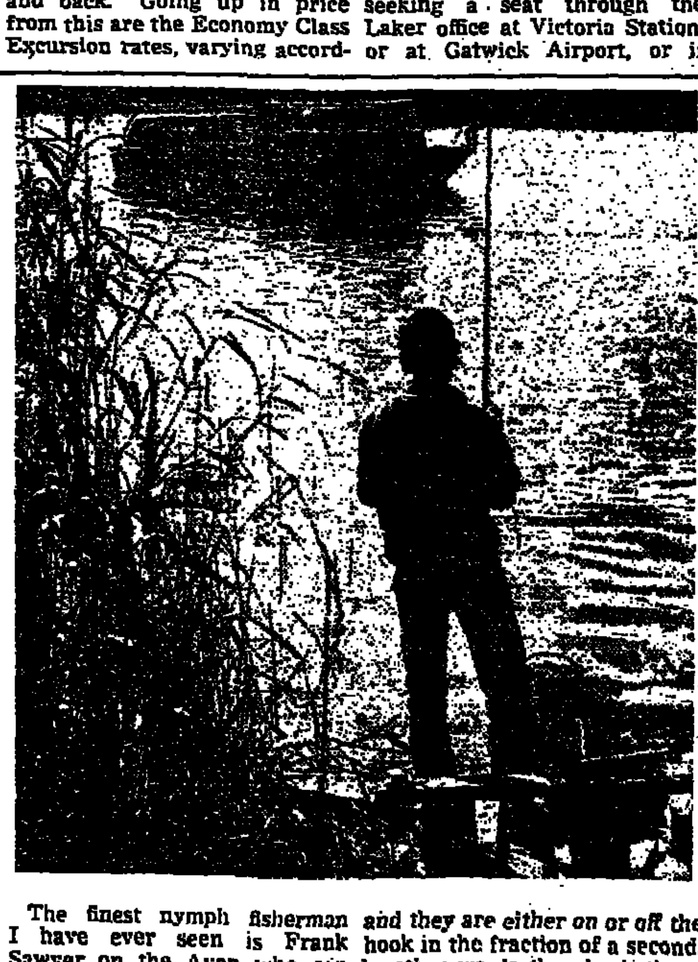
FISHING

JOHN CHERRINGTON

DURING THE close season for trout fishing a furious argument has developed in the angling Press as to the ethics of dry fly as against nymph fishing for trout on chalk streams. On most of these nymphs are forbidden until well into the summer when the trout have got tired of rising to surface fly, and are allegedly taking the unhatched nymphs below the surface.

The reason for the prohibition of nymph fishing is simply that in general the method catches more fish, and the purist dry fly fishermen abhors any method which makes things too easy. After all, in his view the real skill lies in presenting an imitation insect on the surface, in such a way that a choosey fish will be deceived. The rule about dry fly, also suits fishery owners, because if fewer fish are caught, expensive re-stocking can be reduced.

The question of skill is arguable. Some nymph fishermen maintain that nymphing in a shallow stream takes an enormous amount of skill. Even with Polaroid glasses, absolutely essential for nymphing, spotting the movement of the fish towards the nymph is very difficult. If the strike is to be successful there has to be absolute co-ordination of hand and eye.



The finest nymph fisherman I have ever seen is Frank Sawyer on the Avon who can take fish with a nymph out of the most unpromising situations, or at least where other people fail. But I think his skill is not so much in handling the strike, but in knowing where the fish are lying and presenting the nymph at the proper depth. I doubt if human reflexes are as swift as those of the fish, and they are either on or off the hook in the fraction of a second. In other words they hook themselves. I believe that Sawyer's skill is an instinctive manipulation or rod and line which moves the nymph into the right place.

But Frank Sawyer apart, the nymph addicts' claim is somewhat spurious. There are skilled operators, but in general I don't think the skills approach those of dry fly fishing and for these reasons. Some nymphs are made in the image, or at least the outline of a hatching fly, just starting its journey to the surface. But others are just hooks with a thickening of dressing or even look remarkably like a fish pellet, or a small piece of red meat exuded from a mincer.

Now it is one thing to attempt to steer a passable imitation of the real thing, the nymph, down to a fish which is obviously feeding just below the surface. But it is quite another to drop some of the so called nymphs on the market into almost every run or pool on the river, in the hopes that it will tempt a bottom feeding fish into committing suicide.

Ethically and in every other way, I support the dry fly man. But that may, of course, be because I am not a good or enthusiastic nympher, and am happy to go to the pub or sleep on the bank when nothing is rising. Most fisheries that make the distinction, insist on dry fly only until July or even August, and then insist that the nymph must be cast upstream.

This means that the nymph is presented more or less naturally to the fish. If it is cast down or across stream is would probably behave like a wet fly, which to the fish is much more like a tiny fish flashing in the current as its course is checked by the line. And wet flies of course are anathema to the purist. But even with complete upstream casting I believe the subsequent behaviour of the nymph is more wet fly like than natural.

HOW TO SPEND IT

by Lucia van der Post

Easter Parade

A small basket, laid with an antique hand-made lace-edged hankie and filled with delicately hand-painted eggs, would make a charming table centre-piece on Easter morning. This version, from Browns Living, is very expensive—the basket is £3, the antique hankie is £9 and the eggs are £3 each—but the painting on the eggs is exquisite—and you don't have to have an antique hankie.

I'M the sort of person who can't be let too near much chocolate—I seem unable to resist it—and so the sort of Easter ideas that I like best are those on an Easter theme but unconnected with chocolate. Apart from anything else, if somebody goes to the trouble of giving me a present I rather like to have something that lasts. However, chocolate is *the* Easter present, and every year confectioners seem to come up with more exotic variations on an Easter theme.

Personally, I think that though good chocolate is, on the whole, wasted on children, only good chocolate will do for adults. Once one has tasted really fine chocolate, the pallid imitations that most of the largest manufacturers go in for never really taste the same. Most readers must have a good confectioner somewhere within reach and most of them have egg-shaped offerings at Easter.

However, should you be one of those who does not have access to good chocolate, several London shops run mail order departments and the only difficulty is explaining exactly what you'd like without being able to peruse the full selection.

Jacksons of Piccadilly have produced a nicely-illustrated leaflet which lists some of their Easter suggestions and makes selection very easy. Though they have naturally chosen to illustrate their most unusual items and not all of these by any means are of chocolate, they do sell plain and filled chocolate Easter eggs as well. The list is particularly useful because all prices and postage and packing are clearly marked. Send a s.a.e. to Shirley Graham-Ellis, 12, Dagmar Terrace, Islington, London, N.1, and the leaflet will be sent to you. Some suggestions are featured below.

Londoners may have noticed a fairly new small chain of four very nice confectionery shops called Merrypaul. The shops are to be found at 59, Fleet Street (the largest, so there are also small gifts, Crabtree and Evelyn soaps and cosmetics as well as Charbonnel et Walker chocolates): 10, Victoria Arcade, Victoria Street, London, S.W.1; Sloane Square Station; and the booking hall of Leicester Square Station. However, for out of town readers Merrypaul will send by mail any of their specialities and those of you who have a sweet tooth should make a point of visiting one of the actual shops when next in London.

Merrypaul shops stock something like 30 different sorts of chocolate—it's all displayed in 100-g. bags and they find the ones that go down best are rum truffle, nutty truffle, coconut macaroon and milk chocolate caramels. Then there are six different varieties of home-made fudge, all freshly delivered each week (40p per 7-oz bag). There are 24 varieties of old-fashioned stick candies imported from America, speciality sweets from the rest of the world as well (like the Vosgienne Fruit sweets from France and Sesame Snaps from Poland).

A few Merrypaul ideas are sketched here but readers might like to know of some others—they sell a bag of chocolate eggs filled with a wonderful selection of fillings (truffles, pralines, marzipan, fruit creams and cracknel) from one of the finest German manufacturers for £1.85 (p+p 45p). The chocolates are exquisitely delicious.

They sell packs of four Easter figures made from fine almond marzipan for £1.52 (p + p 35p) and there's a pure almond marzipan and pineapple egg for those who like marzipan and normally find it used only in small quantities (95p plus 35p p+p).

Finally, for those who are interested in the whole idea of Easter and Easter eggs, I can recommend two books—one is large and beautifully illustrated and costs £6, the other is smaller, equally charming but in a more homely way and costs 45p.

The larger, more expensive is by Victor Houart and is called Easter Eggs: A Collector's Guide. Not only are the illustrations lovely (for those who are gifted with their pens, there is plenty in it to inspire them to do a little decorating of their own) but he traces the development of the whole spectrum of eggs at Easter from the elaborate, jewel-encrusted Fabergé versions to the humble vegetable-dyed ones made by villagers all over Europe. Published by Souvenir Press the book comes out on March 16.

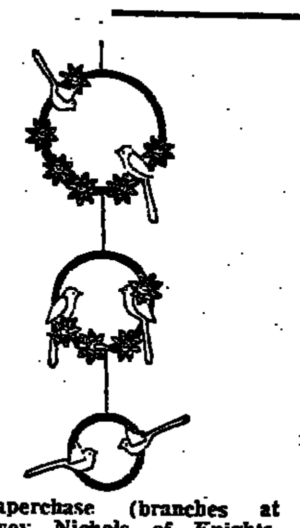
The Little Brown Egg Book is a small and simple collection of egg ideas and information, with only a tiny section on the decorating aspect—otherwise there are factual descriptions, recipe ideas ranging from the obvious like omelettes and soufflés through to the not-so-obvious like egg-nogs and flips. 45p (p+p 15p) at Liberty's of Regent Street, London, W.1.

Browns Living at 27 South Molton Street, London W1 have a delectable selection of present ideas—but be warned, though almost everything is unique, it is an expensive shop. Many of their ideas, however, are highly copyable for those who are clever with their fingers.

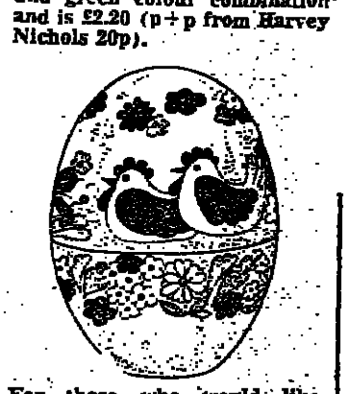
This rabbit, called the sewing bunny, is a lovely Easter present for somebody who loves to sew, as he's dressed with a pincushion, needles, tape-measure, scissors, coloured thread and needle, all easily to hand. The rabbit itself, of course, would double as a cuddly toy—he's about 18 inches high. £16.50 (£1.50 p+p).

Many readers are already collectors of Halcyon Days Easter eggs and if they haven't already bought the 1978 version here it is. Unfortunately I can't convey the soft green and pink cherry flowers and leaves or the gentle colouring of the birds. This is the sixth enamelled Easter Egg produced in a limited edition by Halcyon Days of 14 Brook Street, Hanover Square, London, W1Y 1AA.

For those who want to start collecting now it is interesting to know that collectors with incomplete collections have shown themselves willing to part with large sums just to fill in a gap—an American recently paid 300 dollars for the one egg he'd missed out on before. Halcyon Days doesn't resell the eggs themselves but because of the demand for back numbers (production of each limited edition is stopped at a given date—this year's will cease on April 30) they've started a collectors' register to put people in touch with each other. 1973's egg was £9.50 direct from Halcyon Days, 1978's version is £16.50, has a diameter of 1½ inches and can be bought by post for 40p extra.



Paperchase (branches at Harvey Nichols of Knightsbridge, London SW1 and 167 Fulham Road and 216 Tottenham Court Road) also have some enchanting, non-edible ideas for Easter, many of them inexpensive enough to be treated as impulse buys, a way to brighten the Easter morning table. Particularly nice are their paper mobiles—this one of small birds sitting on their perches is in a fresh yellow and green colour combination and is £2.20 (p+p from Harvey Nichols 20p).



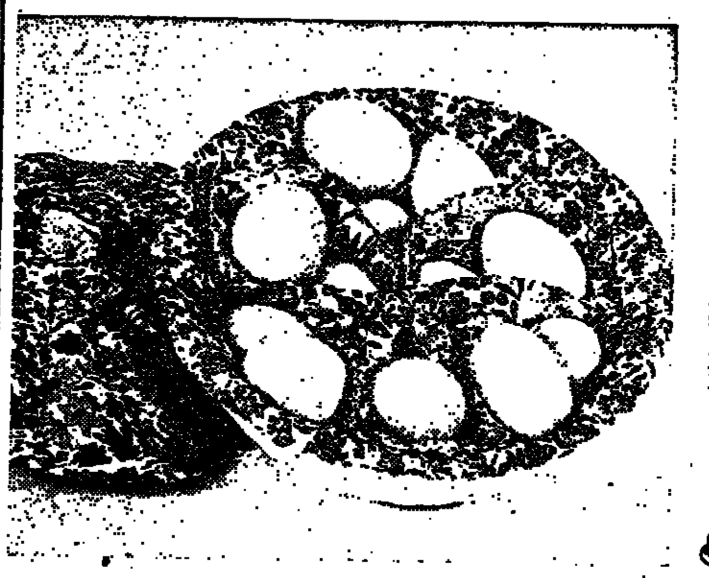
For those who would like something non-fattening for Easter which will also go on being useful long after Easter has been forgotten—this is a porcelain egg warmer which obviously also doubles as an eggcup. Attractively decorated in bright colours it is £4.20 (p+p 36p) from Jacksons of Piccadilly.

Photographs by Terry Kirk

Walnut wooden nest filled with liquid centred sugar eggs, with a little edible sugar chicken and a decorative but inedible yellow fluffy chicken on the side. £1.60 (35p p+p) from Merrypaul, 59, Fleet Street, London, E.C.4.

I hardly ever see salt and pepper sets that I actually like but this pair of egg-shaped ones by Porcelaine de Paris is charming. Salt has a small red flower, pepper a delicate yellow one. £5.75 the pair (50p p+p) from Liberty's of Regent Street, London, W.1.

Both Jacksons of Piccadilly and Merrypaul shops (addresses in introduction, write to any branch) sell this charming little Easter Basket filled with little chocolate shapes. £2.50 (p+p 90p).



The old-fashioned, comforting way to present eggs on Easter morning—put them in a Tana lawn-lined basket, each fat brown egg in its own little compartment and keep them warm with the soft quilted cover. The basket is £10 (p+p 50p) from Liberty's of Regent Street, London W1.

To keep a child's egg warm what could be nicer than this memento of the Jubilee—a soft, colourful felt Beefeater egg-cosy 80p (35p p+p) from Liberty's of Regent Street, London W1.

A pretty hand-painted double eggcup in a soft pink and white £1.25 (50p p-p) from Liberty's of Regent Street, London W1.

Carried Away

I DON'T think this year's Ideal Home Show, the Daily Mail's annual domestic bonanza at Olympia, is the greatest ever in that it seems singularly short of new ideas. However, it is one of the prettiest and best laid out and the large conservatory that forms part of the main hall decorations is a joy to look at.

If you're thinking of going along I think some of the best stands to look out for are the Solid Fuel Stand (more about that next week) and certainly if you're trying to buy a cooker both the Electricity Council and the Gas Council stands show all the latest developments, making it still the easiest way to see every variety of size, shape and advanced technology.

If bathrooms are next on your list for renovation there is a small but compact bathroom stand on which I thought much the most interesting new designs were Ideal-Standard's Michelangelo range—the shapes are much less rounded than we have become used to and this gives them a most interesting compact look and, for extra effect, they are shown in the stunning Penthouse red colour.

I haven't enough space this week to go into great detail about the offerings at the Ideal Home show but I hope to be able to give more space to them next week. In the meantime here is one of the neatest ideas on display—it's not a large or expensive item but it is nicely designed, is perfect for its purpose and is the kind of design that almost every household needs at some time or another.

I found it on Perrings stand, and it's that ever-useful item—the extra chair (photographed right).

Made in Italy, it has a chrome frame and sling style seat made from natural-coloured canvas. It folds up quickly and easily (into a size measuring 24 inches by 34 inches by 6 inches) and so it can be stowed away behind cupboards, under stairs or even into cars.

The chairs are available now from all branches of Perrings throughout London, the Home Counties, the South Coast and the Midlands. You can buy it direct from their shops for £17.00 or they will deliver it for £18.95.

Cooking with Philippa Davenport

CHINESE PORK AND CABBAGE is certainly not a grand dish but it is very comforting. It uses pork, onions, garlic and thyme (a combination which always seems particularly good to me) and that delicious but still relatively little known vegetable called Chinese cabbage or Chinese leaves.

The flavour is subtle so it needs to be preceded by a delicate tasting dish—I ruined things the other night by serving a pungent pâté first. For four people, coarsely mince 1 lb. (boned and rinded weight) lean belly of pork, ½ lb. streaky bacon, an onion and 3 large garlic cloves, then cook the mixture in a little butter and olive oil until lightly coloured. Season very generously with salt, pepper, dried thyme and fresh chopped parsley.

Shred and steam 2 lb. Chinese cabbage for 3-4 minutes. Layer in a generously buttered casserole (cabbage, pork, cabbage, pork, cabbage), press the mixture down well (I find a potato masher very useful for this sort of job), cover with buttered paper and a lid and cook at 325°F, gas mark 3, for about 1½ hours.

MARCH can be a cosy month provided, as my family says, you have plenty of padding: warm clothes, log fires, hot water bottles and all those comforting foods beginning with "p"—pulses, pasta, pastry, potatoes and pork.

SUGGESTED MARCH MENUS:

Braised chicory
Pork with prunes and croutons, a few new potatoes
Fresh lemon mousse

Oeufs en cocotte à la crème
Chinese pork and cabbage
potato purée (include a little celeriac if possible)
Zabaglione

Other economic and unpretentious dishes based on the provident pig which I like to include in my menus in March are **POOR MAN'S CASSOULET**—I eke out a pigeon or two with lots of belly of pork and spicy chorizo sausages—(readers may like to write to the Financial Times sending an s.a.e. for a fuller version of this recipe). **SPAGHETTI ALLA CARBONARA, BARBECUED SPARE RIBS and PORKER'S PUDDING** (belly, pig's kidney and leeks with a dash of Worcestershire sauce cooked in suet pastry—I keep the pastry puffy and light by replacing some of the flour with fresh brown breadcrumbs); served with curly kale—one of the few vegetables robust enough to have survived recent weather unscathed—this last dish makes a good choice for Sunday lunch.

PORK WITH PRUNES is richer tasting, more expensive and more of a party dish. To serve six I choose a nice loin weighing about 3¼-3½ lb. Bone and rind it, rub it all over with salt, pepper and coriander, roll up, tie into a neat bolster shape and weigh again. Place it on a rack, put the bones, rind and 2 or 3 tablespoons of cider in the base of the pan, and roast at 350°F, gas mark 4, allowing 35 minutes per lb and 30 minutes over.

Put ½ lb. pitted prunes in a tiny flameproof casserole with ¾ pt. Bulmers No. 7 extra dry cider. There's no need to presoak the prunes if using a good quality such as Sunsweet. Bring to simmering point on top of the stove, cover and place on the floor of the oven for the last half hour of roasting time.

When roasting time is up, discard rind and bones and pour off all but a few spoonfuls of the fat (save the fat for delicious fried potatoes). Strain the prunes and add their liquor to the roasting pan. Allow it to bubble up and reduce to a thinnish syrup. Gradually blend in a scant half pint thick cream and a few spoonfuls of soured cream.

Cook for 5 minutes or so, stirring, until you have a hot, shiny and thickened sauce. Season it well. Arrange the pork in thin slices down the centre of a hot dish, pour the sauce over and arrange the prunes on rounds of fried bread round the edge of the dish.

THE ARTS

Old friends and new

Any Questions?, that long-running circus of opinion, comes to me as an accompaniment to drying the dishes after lunch on Saturday. In its repeated form at that time it has a huge audience and is usually good for a laugh and a broken plate or two. The formula of landing the quartet in a different part of the country each week and letting an audience from some local institution fire prepared questions at them has not changed in donkey's years and it does not need to. It's the old Brains Trust formula which still works so much better than more elaborately "structured" discussion programmes. People relate to it as is clear from *Any Answers?* on Thursday evenings where listeners take up points in the more controversial discussions. The letters read out alongside recorded snippets are not on a noticeably lower level of argument than that of the panel.

Clearly the programme stimulates its audience, live and distant, and I have been wondering if there may not be lessons to learn from it that apply to discussion programmes in other areas such as the arts and books where certain programmes notoriously do not stimulate. One of its best aspects is the weekly cast-change which draws on a wide range of people, and the producer is continually adding to them by trying out new panellists. Our reactions to opinion-moulders on radio (and television) are highly irrational and release in us strange animus. Anyone who appears too frequently inevitably generates animus unless he or she is a totally bland, neutral presenter, the role fulfilled here so smoothly by David Jacobs.

Any Questions? tends perhaps to rely a little too often on the formula of one Right-wing figure versus one Left, usually a Conservative and a Labour MP, plus two wild cards, or on the formula of one statutory woman with three men: but at least the women tend to be articulate, pertinacious defenders of their opinions, Antigones surrounded by three Creons. Recent woman performers have been Helen Hayman and Edna Healey who was making her début on the programme. I can just imagine her heroine, Angela Burdett-Coutts, arguing the toss with, say, Dickens, Livingstone and the Duke of Wellington on such a programme had radio been around in the 19th century. And I think Miss Burdett-Coutts would probably have approved of Mrs. Healey's answer to the question: "Should a public librarian have the right to lock away blue books in a back room?"—as the questioner alleged happened in Aberystwyth.

Unhesitatingly Mrs. Healey said yes, so that people who wanted them could request them and people who were not ready for them should not have them thrust upon them. The level-headedness of this opinion was in stark contrast to the glorious confusion of the male trio. The two MPs, John Mackintosh and Marcus Fox, who had previously been indulging in some tiresome party crossfire apropos the steel industry, took muddled and expectedly opposed positions to the left and right of the grid, while Lord Hesketh skidded off the track into the pits: "I think that the written word as such is far less of a problem than pornography to which I am bound to be opposed, and I think that Wales is bound to be a law unto itself . . ." No, it was the steady driving of Mrs. Healey which won the applause for that lap.

This was unusual because in general it is a safe rule to apply to *Any Questions?* that the greater the nonsense, the greater the decibels. Thus someone who did not arouse many decibels was the following week's lady, Mrs. Hayman; what she said was in general far too sensible and low-key. Her male trio was John Mortimer, Freddie Laker and Jimmy Hill. This turned out to be quite a good session. The word "discipline" sounded like a refrain throughout most of the answers and so did the expression "pay them more" (police, teachers, etc.). In effect, it boiled down to a rather absorbing contest between Permissive Wanderers v. Repressive United with the final score at nil all.

A programme which is trying hard to break out of all previously used formulas is Louise Purslow's *Not Now I'm Listening Again* on Sunday before lunch and repeated on Tuesday evening. Richard Mayne is the presenter here and he certainly passes the bland, neutral test, but the miscellaneous material composed of anecdotage, mini-stories, mini-satires, mini-poems, songs and fragments of discussion just do not seem to add up to anything very much. What I said earlier about irrational animus applied this week in *Not Now* to overhearing a chatty discussion at the English National Opera about Jonathan Miller's forthcoming production there of *The Marriage of Figaro*. Dr. Miller is quick, bright, articulate, perceptive, etc., but we have heard him before.

RADIO

ANTHONY CURTIS

Covent Garden's first Idomeneo

No music, not even the operas of Monteverdi, has so much enriched the post-war international repertory as Mozart's *Idomeneo*. Long regarded as a kind of ancient musical monument, respectable but obsolete, we now recognise it as one of the most powerful of Mozart's creations, a prodigal fusion of Italian *opera seria*, of French *tragédie lyrique*, of Gluck and other composers admired by the voracious young Mozart, fresh from new experiences in Mannheim and Paris. Mozart at 24 had already reached the stage in a composer's development at which physical vitality is matched by technical mastery. When writing this opera he was pulled in two different directions—the stream of music inside him clamouring for release and a growing awareness of the claims of the drama, urging him to keep the action moving, to cut and to compress.

In Britain we have been lucky with *Idomeneo* since 1951, when Glyndebourne gave the first fully professional production in this country. This was followed in due course by Sadler's Wells, by the English Opera Group at the Aldeburgh Festival, by Welsh National Opera and Glyndebourne again. Not until Thursday, however, did the work reach Covent Garden, though it might, given Colin Davis's known affection for the score, have done so sooner if they had not first staged *La clemenza di Tito* (how one loves Mozart for standing received notions of progress on their head by writing *Tito* after and not before *Idomeneo*). The new production, of course conducted by Davis, is directed by Goetz Friedrich. The designer is Stefanos Lazaridis. It was worth waiting for, and won a friendly reception.

Idomeneo being the story of a rash vow by the King of Crete, in danger of drowning at sea, to sacrifice the first human being he meets on dry land if Neptune will spare him, involving the people of Crete as well as individual human destinies. The drama is played out against the background of the sea, now stormy, now calm. Friedrich's production stresses the remarkable continuity of the score by overriding the interval between acts one and two — it isn't often Covent Garden needs rebuking for having too few rather than too many breaks, but this one, by playing down the effect of the preceding "Intermezzo" lessens the effects of formal spectacle which is as much an ingredient of *Idomeneo* as the continuity.

Another gloss which is not an improvement is Elektra's suicide after her last, raging aria. Instead of running wildly off, she knifes herself; there follows a most discontinuous pause while Idomeneo unfolds a shroud to cover her with, like a butler laying a tea-table. In the great ensemble "O voto tremendo" earlier in the third act (a choral piece as sublime as anything in Gluck or in *Fidelio*) the producer dilutes the effect of the choral singing by spreading it out too widely. Otherwise, Friedrich's direction is fascinating for his grip on the drama and for his illuminating and visually effective use of the singers — both soloists and chorus. For once the fleeing crowds in "corriamo, fuggiamo," after the appearance of the sea-monster, are convincingly handled.

In the designs of Lazaridis the Cretan skies glower with bellowing storm clouds deriving not from the primitive or the antique but from the gorgeous Bakst drapes of *Sheherazade*—they give a rich yet sombre finish to wild scenes relieved by dark, glowing barbaric colours. Lazaridis should, however, persuade David Hersey in the earlier scenes not to light the blocks and stairs of rough marble as if they were South Bank concrete.

Leonard Burt

Janet Baker and Yvonne Kenny

The title-role is taken by Stuart Burrows, a lyric tenor unlikely to suggest the elder-statesmanly aspect of the role but bringing a degree of flexibility to the fearsome roulades of "Fuor del mar" not to be expected from singers of a graver cast—and Mr. Burrows adds "Torna la pace" in the last act for good measure. The castrato role of Idomeneo's son, Idamante, is sung by Janet Baker. This artist's few but carefully chosen stage appearances never cease to astonish—how does she manage to be princely, slightly coltish, dignified and greatly moving all at the same time? There are a hundred things to watch and listen for in her performance. Among them must be mentioned her wonderfully varied and expressive treatment of the accompanied recitatives which are one of the glories of *Idomeneo* and her perfect phrasing of the first (and last) lines of the quartet, one of the few things in the part which usually seem to lie better for a tenor.

Ilia, the Trojan Princess whom Idamante loves but nearly has to give up, is charmingly sung by Yvonne Kenny whose timbre, sweet yet sad, sometimes recalls of the young Jurinac. Miss Kenny started the opera beautifully and did justice to "Zeffiretti lusinghieri" in the last act. In between, especially in the central aria, there were traces of rhythmic limpness, of reluctance to move the music forward. The Elektra of the Romanian Magdalena Cononovici was interesting — an Ortrud voice (though she seems to sing the soprano repertory) full of colour, not precisely enough pitched for Mozart, occasionally gutsy, never dull. John Lanigan's old crony Arbaces was deprived of his arias but allowed one long scene in recitative, excellently done. Gwynne Howell grandly intoned Neptune's off-stage sentences. As the High Priest, much seen but little heard, Jonathan Summers took his chance like an angry bull.

Colin Davis, back in his finest Mozartian form, was rewarded by orchestral playing of great distinction, the volume just right—*Idomeneo* is obviously one of the Mozart operas which suits Covent Garden. The shading in the accompanied recitatives was marvellously subtle. The "secco" ones were sonorously realised on the harpsichord by John Constable's Movement is ascribed to Eleanor Fazan, to whom some of the credit for the crowd scenes should surely go. Such formal dances as remain are feeble.

Dance, though you might not think so from this or many other productions, is an integral part of *Idomeneo*, and until that problem has been solved rather than shirked the restoration of this opera cannot be considered complete.

OPERA

RONALD CRICHTON

Nuthouse Stomp

Two of Christopher Bruce's most serious and most heart-tearing pieces marked the boundaries of the Rambert programme at Sadlers Wells, on Thursday night. We began with *Ancient Voices of Children*, and ended with *Black Angels*, and in both I must salute the integrity of the dancers' performances.

As the poor infant flotsam of *Ancient Voices*, the Rambert artists found exactly the right innocence of manner; it is not an easy work with which to begin an evening, but by the third Lorca song, heart and mind were engaged totally.

Black Angels on this occasion was like a morality play performed by souls in purgatory. Their awareness of damnation, their tense recounting of the events of Christ's Passion, the many layers of experience hinted at in Bruce's imagery, all make for tremendous viewing. In both works the performance of George Crumb's scores from the Mercury Ensemble under Adam Gatehouse was excellent.

Two new ballets formed the centre of the programme. Zoltan Imre's *Laocoon* I found insufferable. A surrealist extravaganza, in which Daniela Loretz was a movie-siren Minerva, while Laocoon and his sons were seen as sportsmen in white satin Bermuda shorts and a dreary assemblage of jokes about biceps, it had the insolence to use as accompaniment part of Liszt's A major piano concerto. Witless, vulgar, it was made possible — though not acceptable — by funds from the Arts Council. The saddest thing to relate about the piece is that Imre has a [illegible] theatrical gift, and [illegible] *Laocoon's* nonsense there [illegible] lie buried an interesting ba[illegible]

Happily, Leigh Warren's [illegible] *house Stomp*, which uses ja[illegible] the 1920s, is a delight.

A set of meticulously [illegible] entries that feed on [illegible] academic movement and [illegible] demotic of social dance [illegible] nod in the direction of [illegible] Tharp, and none the worse [illegible] that. Leigh Warren has seen the right films of the '[illegible] and 'thirties, and he has [illegible] a free, relaxed style [illegible] eight dancers who bounce [illegible] trip along with a nonchalan[illegible] There are ingenuities and [illegible] jokes, and a welcome feeling [illegible] quirks of movement — a [illegible] position is followed by a [illegible] pigeon-toed stance—all of [illegible] argue a neat choreogra[illegible] talent. The piece is given [illegible] most engaging performance [illegible] its cast, and one can [illegible] its unforced felicities.

BALLET

CLEMENT CRISP

Lorin Maazel

Maazel-watchers will know that there are two kinds of Maazel concert: the one an evening on a razor's edge, cut with a scalpel, superbly disciplined, the music exposed like a jewelled mechanism, fascinating but merciless; and the other, an evening when heart and spirit join together with the legendary technical command, when the players and the music move as one, and the very orchestral sound is set on fire. The first is, on balance, more common; but the second is worth waiting for, even if it only arrives in time for the second half of the programme, as it did at the *Philharmonia's* concert under Maazel on Thursday at the Festival Hall.

After the prescribed rinkful of ice-skating bombast from Shostakovich's Festive Overture, the first half had served to introduce for the third time to London the young Soviet violinist Boris Belkin as the soloist in Prokofiev's first violin concerto. Belkin arrived on the stage nodding acknowledgements like a prize-fighter; but the playing, never less than coolly efficient, was also surprisingly thin, under-nourished in timbre, lacking variety and richness of colour: there was little gut to the attack and an odd metallic twang [illegible] split into the tone from the [illegible] right down to the middle registers. I found it a capable but pallid performance, of little style or presence. Far more intriguing, though of no great musical value in itself, was Maazel's cool, casual direction, flipping chords into boxes with his elbow, deftly plucking them out with his hand.

But for Chaikovsky's Fifth there was electricity in the air: in the first movement's quick flexible phrasing, buoyed up by precise rhythmic dovetailing and in the sharpest clarity of busy detail always bubbling just below the surface—suppressed hysteria on a knife edge. In the andante and the Valse we heard Philharmonia playing at its finest: crystal skirls of wind, clouds of spiccati perfectly formed, exceptionally exciting—and with excitement and ardour in equal measure.

DOMINIC GILL

TV/Radio

† Indicates programme in black and white.

BBC 1

9.00 a.m. Teddy Edward. 9.05 Indoors Outdoors. 9.30 Multi-Coloured Swap Shop. 12.18 p.m. Weather.

12.20 Grandstand: Football Focus (12.25); Skiing (12.55) The World Cup Downhill; Racing from Chepstow (1.20, 1.55, 2.25, 2.55); 1978 World Figure Skating Championships (1.35, 2.10, 2.40); Hockey (3.10) England v India; Rugby League (3.50) Challenge Cup Second Round: second-half commentary (Wigan v Bradford Northern); Athletics (4.30) European Indoor Championships; 4.40 Final Score including classified football results.

5.10 The New Adventures of Batman.

5.35 News.

5.45 Sport/Regional News.

5.50 Jim'll Fix It.

6.25 Dr. Who.

6.50 Saturday Night at the Movies: "Mister Moses," starring Robert Mitchum and Carroll Baker.

8.40 Mike Yarwood In Persons.

9.15 Starsky and Hutch.

10.05 News.

10.15 Match of the Day.

11.15 Saturday Night at the Mill.

All regions as BBC 1 except at the following times:

Wales—8.40 a.m. Indoors Outdoors. 9.05-9.30 Teliffant. 12.05 a.m. News and Weather for Wales.

Scotland—3.45-4.10 p.m. Amateur Boxing: Scotland v East Germany. 4.55-5.10 and 5.45-5.50 Scoreboard. 10.15-10.45 Sportscene. 10.45-11.15 Songs of Scotland. 12.05 a.m. News and Weather for Scotland.

Northern Ireland—5.00-5.10 p.m. Scoreboard. 5.45-5.50 Northern Ireland News. 12.05 a.m. News and Weather for Northern Ireland.

BBC 2

7.40 a.m. Open University.

2.45 p.m. Saturday Cinema: "Secret of the Incas," starring Charlton Heston.

4.25 Hit the Note!

4.55 Horizon.

5.45 Something Else.

6.30 Sight and Sound in Concert featuring John Miles (simultaneous with Radio 1 Stereo).

7.30 News and Sport.

7.45 Network.

8.15 The Book Programme: J. P. Donleavy, comic novelist and playwright.

8.45 The Lively Arts.

10.45 M*A*S*H.

11.10 News on 2.

11.15 Midnight Movie: "The Odd Couple," starring Jack Lemmon and Walter Matthau.

LONDON

9.00 a.m. Sesame Street. 10.00 Our Show. †11.00 Saturday Cinema: "Time Of His Life," starring Richard Hearne.

12.30 p.m. World of Sport: 12.35 On the Ball; 1.00 International Sports Special (1) Ice Speedway, World Championship from Assen, Holland; 1.10 News from ITN; 1.20 The ITV Six—1.30, 2.00 and 2.30 from Ayr; 1.45, 2.15 and 2.50 from Sandown; 3.00 International Sports Special (2) Women's Hockey, England v U.S. from Wembley Stadium; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News from ITN.

5.15 Happy Days.

5.45 Logan's Run.

6.45 Celebrity Squares.

7.30 Enemy at the Door.

8.30 Sale of the Century.

9.00 Within These Walls.

10.00 News.

10.15 The South Bank Show with Melvyn Bragg and Ken Dodd.

11.15 The Adult Movie: "Girl Stroke Boy," starring Joan Greenwood and Michael Hordern.

12.50 a.m. Close — Leonard Pearcey reads a poem by Louis MacNeice.

All IBA regions as London except at the following times:

ANGLIA

9.00 a.m. Animal Alphabet Parade. 9.30 Cartoon Time. 9.30 Tiswas. 10.20 Funky Phantom. 10.45 Tiswas. 11.25 Valley of the Dinosaurs. 11.55 Tiswas. 5.15 p.m. Celebrity Squares. 6.00 Code R. 7.00 Sale of the Century. 8.30 TV Movie: "Pursuit." 11.15 Within These Walls. 12.10 a.m. At the End of the Day.

ATV

9.05 a.m. The Rolf Harris Show. 9.30 Tiswas including Dynomutt, the Dog Wonder and The Lone Ranger. 5.15 p.m. Six Million Dollar Man. 6.15 Havoc. 9.00 The Sweeney. 11.25 The Saturday Suspense Movie: "A Cold Night's Death."

BORDER

9.30 a.m. Tiswas including Dynomutt—the Dog Wonder and The Beachcombers. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Film: "The Lives of Jenny Dolan," starring Shirley Jones and Stephen Boyd. 11.25 The Outsiders. 12.20 a.m. The Odd Couple.

CHANNEL

12.18 p.m. Puffin's Pla(i)ce. 5.15 Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment With Fear: "Die Monster Die."

GRAMPIAN

9.00 a.m. Scene on Saturday including Birthday Greetings and The Lone Ranger. 9.25 Skippy. 9.50 The Woody Woodpecker Show. 10.15 Woodbinda. 10.35 Island of Adventure. 11.30 The Clue Club. 12.00 Captain Scarlet and the Mysterons. 5.15 p.m. Logan's Run, followed by area weather forecast, Highland League and shinty results. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Feature Film: "The Lives of Jenny Dolan," starring Shirley Jones and Stephen Boyd. 11.15 Within These Walls. 12.15 a.m. Reflections.

GRANADA

9.30 a.m. Tiswas starring 10.20 Dynomutt, the Dog Wonder; 10.45 Tiswas. 11.25 Skippy and 11.55 Tiswas. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.10 Paul Daniel Show. 9.05 Lester's House. 9.35 The Adventurer. 11.25 Stars on Ice. 11.55 The Late Film: "Victoria the Great," starring Anna Neagle.

HTV

9.05 a.m. Build Your Own Boat. 9.30 Tiswas. 10.15 Batman. 10.45 Tiswas (continued). 11.25 Beachcombers. 11.55 Tiswas (continued). 5.45 p.m. Celebrity Squares. 6.30 Logan's Run. 9.00 Streets of San Francisco. 11.15 Moynihan.

HTV Cymru/Wales—As HTV General Service except: 5.45 p.m. Cartoontime. 6.00-6.30 Canolfan. 11.15-12.10 a.m. A Change in Mind.

SCOTTISH

9.00 a.m. Toolkit. 9.30 Tiswas including Winning with Wilkie and Batman. 5.15 Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 Feature Film: "Deadlier Than The Male," starring Richard Johnson and Elke Sommer. 11.15 Late Call. 11.20 Danger in Paradise.

SOUTHERN

8.50 a.m. Weekend followed by Regional Weather Forecast. 9.00 Sesame Street. 10.00 Our Show including 11.00 Code R and 11.55 Happy Days. 12.20 p.m. Weekend followed by Regional Weather Forecast. 5.15 Celebrity Squares. 6.00 Six Million Dollar Man. 7.00 Sale of the Century. 8.30 "Cover Girls." 11.15 Within These Walls. 12.15 a.m. Southern News.

TYNE TEES

9.00 a.m. Lyn's Look In. 9.05 Focus on Wildlife. 9.30 Adventure Time: "The Desert Hawk," starring Yvonne de Carlo. 10.50 You Can Make It. 11.25 Space 1999. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "The Lives of Jenny Dolan," starring Shirley Jones and Stephen Boyd. 11.25 The Practice. 11.50 Upstairs, Downstairs. 12.45 a.m. Epilogue.

ULSTER

10.10 a.m. The Herbs. 10.20 The Red and the Blue. 10.35 Skippy. 11.00 Survival. 11.30 Sesame Street. 5.00 p.m. Sports Results. 5.15 Logan's Run. 6.15 A Drop In Your Hand. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "The Lives of Jenny Dolan. 11.25 Hawaii Five-O.

WESTWARD

9.00 a.m. The Beatles. 9.25 The Lost Islands. 9.50 Children's Feature Film: "Carry On Follow That Camel," starring Kenneth Williams. 11.30 Gus Honeybun's Birthdays. 11.35 Space 1999. 5.15 p.m. Logan's Run. 6.15 Happy Days. 9.00 Police Woman. 11.15 Appointment With Fear: "Die, Monster Die," starring Boris Karloff. 12.35 a.m. Faith For Life.

YORKSHIRE

9.00 a.m. The Rolf Harris Show. 9.25 Saturday Scene Action Adventure: "The Body Stealers," starring George Sanders. 11.00 Funky Phantom. 11.30 Happy Days. 12.00 Calendar Kids. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "The Lives of Jenny Dolan," starring Shirley Jones. 11.15 The Mary Tyler Moore Show. 11.45 The Outsiders.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 8.06 Ed Stewart with Junior Choice (S). 10.00 Kid Jensen. 12.00 Paul Gambaccini. 1.31 p.m. Rock On (S). 2.30 Alan Freeman (S). 5.31 Alexis Korner's Blues and Soul Show (S). 6.30 Sight and Sound in Concert (S) featuring John Miles (simultaneous with BBC-2 television). 7.30-12.33 a.m. As Radio 2.

VHF Radios 1 and 2—6.00 a.m. With Radio 2. 8.06 With Radio 1. 10.00 With Radio 2. 1.30 With Radio 1. 7.30-12.33 a.m. With Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S) with The Early Show, including 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Wally Whyton on the Sunnyside of Saturday (S). 12.02 p.m. Two's Best (S). 1.02 The News Headlines. 1.30-5.55 Sport on 2: FA Cup Special (1.30, 2.00, 2.25, 3.00, 3.45): Cup Tie Rugby (1.20, 3.00): Racing from Sandown Park (1.30, 2.10, 2.45). 5.00 Sports Report: Classified football checks at 5.00 and 5.45; Rugby round-up at 5.25, plus news of the European Indoor Athletic Championships. 6.03 European Pop Jury. 7.02 Would The Last Businessman . . . 7.30 Radio 2 Top Tunes (S). 8.15 Stanley Black at the piano (S). 8.30 Victor Silvester Jr. at the Radio 2 Ballroom (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Alan Dell with The Saturday Late Show, including 12.00 News. 12.31-12.33 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only.

‡7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review, including Building a Library (S). 10.15 Stereo Release of music by Bridge (S). 10.50 Bernstein Conducts Bernstein (S). 12.02 p.m. James Galway presents music on records (S). 12.55 News. 1.00 Heritage. 1.15 Violin and Piano recital (S). 2.15 Man of Action: Toby Jessel chooses records (S). 3.35 Music of the Masters by Haydn, Stravinsky, Mozart (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 International Organist (S). 7.30 Maxwell Davies's New Symphony, part 1: Sibelius (S). 8.00 Interval Reading. 8.05 Concert, part 2: Davies. 9.05 Wilson on Kipling: Discussion with Angus Wilson and Jonathan Raban. 9.35 BBC Singers at St. John's (S). 10.45 Sounds Interesting (S). 11.25 News. 11.30-11.35 And Tonight's Schubert Song on record.

Radio 3 VHF only—6.00-8.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.30 a.m. News. 6.32 Farming Today. 6.50 Yours Faithfully. ‡6.55 Weather, programme news (VHF) Regional News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. ‡7.55 Weather, programme news (VHF) Regional News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. ‡9.05 International Assignment. ‡9.30 The Week in Westminster. ‡9.55 News Stand. ‡10.15 Daily Service. ‡10.30 Pick of the Week. ‡11.20 Time for Verse. ‡11.30 Science Now. 12.00 News. 12.02 p.m. James Galway (as Radio 3) (S). ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 News. 1.15 Any Questions? ‡2.00 War and Peace. ‡3.00 News. ‡3.05 Does He Take Sugar? ‡3.35 Music of the Masters (as Radio 3). 5.00 Kaleidoscope Encore. 5.30 Week Ending. ‡5.55 Weather, programme news, VHF Regional News. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the Week with Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 On The Town. 11.00 Lighten Our Darkness. 11.25 News.

Open University (VHF only): 9.05 a.m.-12.00 and 2.00-5.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News: weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 David Kremer with Saturday Scene. 10.30 Sportscene. 11.30 The Robbie Vincent Saturday Show. 2.00 p.m. Bob Powel with London Country. 4.30 Marjorie Billow with Close Up. 5.00-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

6.00 a.m. Morning Music. 7.00 A.M.: Weekend news, reviews, features, sports. 10.00 Jellybone. 1.00 p.m. Saturday Sport. 6.00 After 6—Ian Gilchrist looks at a week of oddities. 6.30 Decision Makers. 7.00 Geet Malal—Music, information, interviews in Hindustani. 8.00 Saturday Music. 9.00 Nightline. 1.00-5.00 a.m. Night Extra with Hugh Williams.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 2.00 p.m. Afternoon Delight with Dave Johnson (S). 5.00 Joan Shenton's Person to Person (S). 6.00 Greg Edwards's Soul Spectrum (S). 9.00 Nicky Horne's Mummy's Chart (S). 11.00 Mike Allen's American Dream. 12.00 Mike Allen's Backseat Boogie (S). 2.00 a.m. Peter Young's Night Flight (S).

CHESS SOLUTIONS

Solution to Position No. 206 (c). The game ended 1 B-R5! Q-N1 (if QxB; 2 N-Q6 ch, or if NxB; 2 R-B8! QxR; 3 N-Q6 ch, K-Q1; 4 NxQ, KxN; 5 Q-R8 ch); 2 B-B7, Resigns. If 2 . . . Q-R1; 3 N-Q6 ch, K-B1; 4 R-R5 traps the queen.

Solution to Problem No. 206

1 B-N3 (threat 2 N-Q6), P-Q4 or P-Q3; 2 Q-K6, or if N(N3) moves; 2 Q-Q5, or if N-B4 or B2, 2 QxP.

Weekend Choice

THE TRAILERS will hardly allow you to miss the fact that *Goldfinger* is on again this weekend (ITV Sunday) clashing of course with the return of BBC-1's very popular *All Creatures Great and Small*. However, among the programmes which won't be promoted so heavily, but which look interesting are:

Something Else (Saturday BBC-2 5.45) a programme for teenagers made by teenagers using the BBC's professional services. It may, I believe, become a series if this one is well received. *Wedding Day* (Sunday ITV 5.15) one of a documentary series about wedding customs in different British communities; followed immediately by Part 1 of *The Doombolt Chase* (Sunday ITV 5.45) a children's adventure serial from HTV who have something of a reputation in this sphere.

Everyman (Sunday 10.10) BBC-1's very impressive series which has successfully broken away from the old "God-slot" constraints. This week it investigates the idea of blasphemy in the modern age, as raised by the case brought against *Gay News*. Michael Jayston stars in *The Last Romantic* (Sunday ITV 10.00) an unusually long play exploring the relationship between an eccentric retired brigadier and his son and daughter.

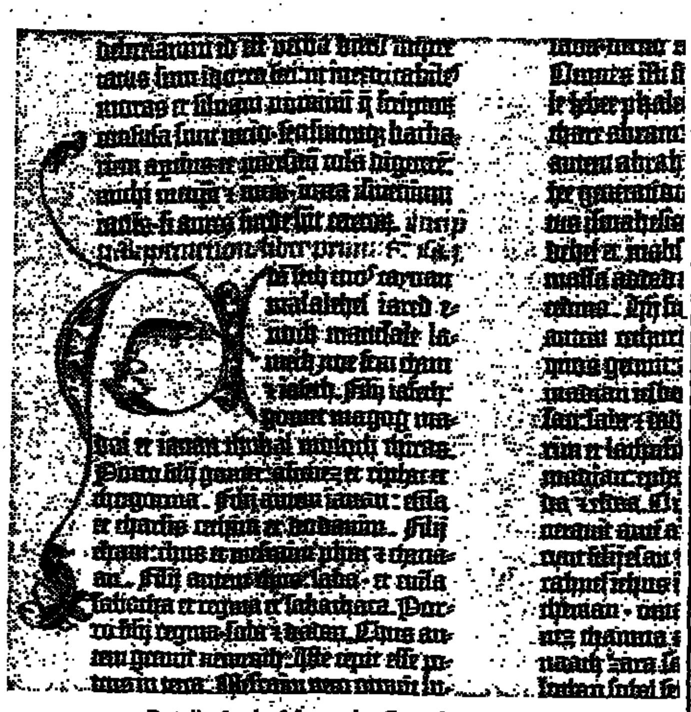
Caroline Blakiston as Emily, The Last Romantic

COLLECTING

Gutenberg's great Bible

BY JANET MARSH

THROUGHOUT next week there is a chance to see in London what may well prove to be the costliest book in the world when it goes on sale at Christies, New York on April 7. It will be on view from Monday to Friday at Christies' King Street premises and is the first complete copy of Johann Gutenberg's great 42-line Bible to be sold for more than half a century.



Detail of a leaf from the Gutenberg Bible

The Gutenberg Bible, the first substantial book to be printed from moveable cast type, is a monument in the history of Western culture. It is by no means a rare book. Its survival rate has, indeed, been remarkably high. Out of approximately 185 copies which Gutenberg is thought to have printed, no fewer than 48 copies are known still to exist, though only 21 are complete. Among these are six of the fourteen copies in the United States and seven out of eight in British libraries. Germany has twelve copies. Almost all are in public collections. There are no known copies outside the United States and Europe, and there is likely to be stiff competition from countries — they include Canada, Australia and the whole Near, Middle and Far East—where there is at present no example of this key book.

Gutenberg himself is a somewhat shadowy figure. There is no extant portrait of him, though his background seems to have been patrician; and what is known of his life is mainly due to his propensity for getting into financial troubles which ended up in the courts. He seems, indeed, to have financed the printing of the Bible from loans made by a certain Johann Fust, who sued for repayment about the time the work was completed. Fust seems to have taken Gutenberg's machinery and type in lieu of the money. Gutenberg continued to print, though precisely what is not altogether easy to establish, since no extant work actually bears his imprint.

Like other inventions that have shaped cultural history—photography, the cinema, radio and television—printing was not really the creation of a single mind. It was in the air in the mid-fifteenth century, simply waiting for all the contributory elements to be brought together. Gutenberg was well placed to achieve this, in his native Mainz. In this busy commercial centre were goldsmiths and jewellers accustomed to engraving and using hand punches, metal workers versed in the making and moulding of alloys, and a flourishing wine production in the nearby Rhine and to provide the press as a ready-to-hand tool. Oil paint had recently been introduced; Gutenberg had only to add common soap to it to make a suitable printing medium.

Somewhere around 1455, after a few previous experiments, Gutenberg completed his superb Bible, which has still never been surpassed in the whole history of printing as art. Christie's New York Vice-President for books and manuscripts, Stephen Massey, says: "It is extraordinary that such a momentous invention destined to affect the lives of millions of people should also achieve an unsurpassed peak of aesthetic excellence. The Gutenberg Bible remains to-day one of the most beautiful books in the world in terms of its typeface, quality of printing and layout." Not content with devising a fount of 26 letters, Gutenberg created such a range of ligatures and variants of character that the type has the variety of a scribe's manuscript.

The copy now to be sold is printed on paper: some 35 copies of Gutenberg's edition appear to have been printed on vellum, which at that time was still preferred to paper whose durability was still suspect. It belongs to the earliest issues, when there were still variations in the length of the type columns between 40 and 42 lines. Subsequently, Gutenberg established a 42-line standard.

Inscriptions of the late 16th and early 17th-century in the second volume show that at that time it was in the Church of the Holy Cross in the mediaeval city of Offenburg, Baden. Since this church was redecorated at the very moment of publication, it seems probable that it was then in funds and may have acquired the book new. Offenburg was sacked by Louis XIV in 1689, and all trace of the book was obscured until it reappeared, over a century later, in the collection of Sir John Thorold (1773-1831) of Syston Park, Lincolnshire. It was probably Thorold who had the book bound in its present handsome but unsympathetic style, with much-gilded calf resembling the binding of George III's copy now in the British Library.

In 1884 the Bible was bought in Sotheby's by the bookseller Bernard Quaritch for £3,900. Quaritch sold it to a Scottish Presbyterien Minister, Rev. William Makellar, on whose death in 1898 it again appeared in Sotheby's and was again bought by Quaritch. This time the price had dropped to £2,950, perhaps because buyers had noticed that a page missing from the second volume was supplied in facsimile.

Quaritch's purchase had been made on behalf of an American cleric and collector, the Very Reverend Eugene Augustus Hoffman, Dean of the General Theological Seminary, New York. Dean Hoffman presented it to the Seminary's collection of historic Bibles, and over the years it was widely exhibited and used by scholars and students. In 1953 Charles Scriber presented a genuine leaf from an incomplete copy of the Bible to replace the facsimile, and so restored the Bible to virtual completeness.

Now the Seminary has decided to sell its Bible to provide an endowment — to be named after Dean Hoffman — to finance the growing needs of the Library. The last complete Gutenberg Bible to be sold at public auction was the copy now at Yale, which was sold in 1926 for $106,000. It is thought that the present copy will realise not less than $1m.

Theatres this week . . .

MERMAID—*Whose life is it anyway?* Fascinating play about the legal rights of cripples to end their lives, but never as depressing as that sounds, and excellently played. Reviewed Tuesday/Wednesday.

PINDAR OF WAKEFIELD, Gray's Inn Road—*Rat.* New company in a tepid lunchtime half-hour about wicked landlords and so on. Reviewed Wednesday.

YOUNG VIC—*Twelfth Night.* Very pretty, not so funny, with a good boyish Viola from Marty Cruickshank. Reviewed Wednesday/Thursday.

GREENWICH—*Don Juan.* The Molière version, thoughtful and musing and good to look at. Reviewed yesterday.

NOTTINGHAM PLAYHOUSE—*Deeds.* This four handed polemic by Messrs Brenton, Hare, Griffiths and Campbell is a fittingly angry climax to Richard Eyre's successful play at Nottingham.

. . . and next

Thin week in London, but a new lunchtime double-bill (Sillitoe and Pinter) at the Almost Free and a C. P. Taylor, *Withdrawal Symptoms,* at the ICA, both on Tuesday. Elsewhere, there is a promising Irish play at Sheffield, *Eejits,* and *Comedians* comes up at Watford.

SALEROOM

ANTONY THORNCROFT

Twelve pictures from the estate of the late Princess Royal were sold by Christie's yesterday for £12,350. Almost without exception they were copies by David Tenniers after paintings in the collection of the Archduke Leopold-Wilhelm, Governor of the Netherlands from 1648 to 1656, and housed in the Palais de Coudenbrug in Brussels.

Seven of the lots were bought by Veron, the Belgian dealer from Antwerp. They included the £1,900 paid for "Marius listening to the Sybillic Oracles," after Andrea Schiavone. The remaining lots went to Berkowihsch, the Spanish dealer based in Madrid. He paid a top price of £1,400 for "St. Peter" after Palme Giovanne.

Over all, the sale totalled £231,000. An anonymous bidder took home the highest-priced lot of the day at £8,500. It was of St. Cecilia playing the Virginals by Giovanni Lanfranco.

"A Mountainous Wooded Landscape" by David Tenniers the Younger went to an anonymous bidder at £5,000 while O'Nians, the London dealer, paid a similar amount for a painting by Ludolf Bakhuyzen of "A Dutch yacht and fishing vessels offshore in a choppy sea." Dreesmann, the German dealer, gave £4,800 for "Elegant figures playing bowls in a woody landscape" by Felippe Mercier.

In the furniture auction at Sothebys a Tabriz carpet went for £4,000 and a Queen Anne walnut bureau for £3,200. A group of tea caddies was also sold, with highest prices of £230 for a George III fruitwood tea caddy and £180 for an early 19th-century turned beechwood tea caddy.

TV ratings, week ended March 5

U.K. TOP 20: Viewers (m.)	
This Is Your Life (ATV)	18.85
A Sharp Intake of Breath (ATV)	18.50
Coronation St. (Wed.) (Gran.)	17.80
Coronation St. (Mon.) (Gran.)	17.75
The Professionals (LWT)	17.35
Mixed Blessings (LWT)	16.80
Mind Your Language (LWT)	16.60
George and Mildred (Thames)	16.55
Dave Allen (ATV)	16.50
Two's Company (LWT)	16.45
Crossroads (Tues.) (ATV)	16.10
Crossroads (Wed.) (ATV)	16.05
Wilde Alliance (Yorkshire)	15.95
Robin's Nest (Thames)	15.85
Armchair Thriller (Tues.) (Thames)	15.85
Armchair Thriller (Thurs.) (Thames)	15.60
Crossroads (Thurs.) (ATV)	15.55
Opportunity Knocks (Thames)	15.40
World in Action (Granada)	15.15
19. Sale of the Century (Anglia)	15.15

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP 10 (Nielsen ratings)	
1. Laverne and Shirley (comedy) (ABC)	32.8
2. Happy Days (comedy) (ABC)	32.7
3. Three's Company (comedy) (ABC)	30.8
4. M.A.S.H. (comedy) (CBS)	29.2
5. Little House on the Prairie (drama) (NBC)	28.5
6. One Day at a Time (drama) (CBS)	26.6
7. Charlie's Angels (drama) (ABC)	25.5
8. 60 Minutes (CBS)	25.3
9. Tuesday Night Movie: Magnum Force (CBS)	24.9
10. Barney Miller (drama) (ABC)	24.3

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Saturday March 11 1978

A touch of sunshine

THE MARKET in industrial equities succeeded in regaining a little of its lost ground this week. despite some pessimistic remarks from ICI about the outlook for the world economy and the over-valuation of sterling, and results from Royal Dutch/Shell which clearly showed the same two factors at work. The improved tone was due almost entirely to a recovery in the gilt-edged market. Prices here have risen every day, and by Thursday the Government Broker had begun to sell the short-dated tapstock issued a week ago—partly for the benefit of the building societies, who have been officially requested to cut their rate of mortgage lending and discourage too sharp a rise in house prices.

The gilt-edged recovery was in turn almost wholly attributable to the latest banking figures. In the month to mid-January, the eligible liabilities of the banks had shot up sharply, and this had been followed soon afterwards by news of a similarly sharp rise in the money supply. There were special factors involved—notably the effect of the income tax rebate on the Government's need to borrow and the difficulty of making seasonal adjustments at this time of year—but this brought the growth of the money supply for the first nine months of the financial year to 14½ per cent., well outside the official target range of 9-13 per cent. The market was nervous that the same thing might happen again.

Money supply

The change in the eligible liabilities of the banks is only a rough guide to the movement in the money supply announced some ten days later. It was widely expected that it would be a particularly unreliable guide in the month to mid-February, since the banks were thought to have been altering the pattern of their liabilities to get themselves off to a better start should the Government decide to reimpose restrictions on their growth. Such "window-dressing" would affect the banking figures much more than the money supply as such.

It was all the more pleasant a surprise for the market, therefore, when the rise in eligible liabilities turned out not to be exceptionally large — it amounted to 1.4 per cent. against just under 2 per cent. in the previous month. It may be that the reports of window-dressing were exaggerated, but at any rate the rise in the money supply now looks like being considerably smaller than before: it will almost certainly not be back within the target range, but it will probably not be so far outside it. Provided the trend is in the right direction, the market is less worried about drastic counter-action by the authorities. By the time the next figures are out we shall be on the brink of the Budget, when a new system of monetary targets will be announced.

Earnings drop

The importance which the gilt-edged market nowadays attaches to these monetary statistics is demonstrated by the fact that this week's recovery has been scarcely affected by two pieces of news which would otherwise have been regarded as somewhat discouraging. The first relates to prices. So far as wholesale prices are concerned, the picture is mixed. The cost to industry of fuel and raw materials is continuing to fall: the prices which it charges for output are still rising, even though the rate of increase seems to be levelling out. So far as retail prices are concerned, however, the advance index of price notifications compiled by the Price Commission has now turned up from its low point. There is a good chance of inflation remaining in single figures for the rest of this year, but the outlook beyond that is more obscure.

The other piece of news relates to the balance of payments. The trade figures for the fourth quarter of last year were, of course, already known. But the figures for invisible transactions which were published this week for the first time have fallen off badly, leaving the current account as a whole for 1977 in a deficit of £35m. rather than the surplus of £109m. previously estimated. The main reasons for the decline are a sharp drop in earnings from profits and interest (due partly to higher repatriation of North Sea oil profits by foreign operators), higher contributions to the EEC, and a drop in buoyant net earnings from tourism. The drop in the invisible surplus is the more worrying, since companies continue to report a drop in optimism about visible export prospects.

Next week the market will get not only the latest money supply but the latest trade figures. The first are expected to be reasonably reassuring: the second may well show some recovery from the freakishly bad performance of January. If both are good, the Government should be able to sell enough stock to take it much nearer its money supply target.

France between left turn and as you were

By ROBERT MAUTHNER, Paris Correspondent

"I HATE Sundays," President Valery Giscard d'Estaing of France is quoted as saying in the latest issue of the satirical weekly, Le Canard Enchaine, echoing the title of a popular song. He has very good reasons for disliking this particular Sunday because it is election day, and though his own mandate is not at stake this time all the public opinion polls indicate that the French People are itching for a change of Government.

A French general election takes place in two rounds on successive Sundays, so that the final result will not be known until March 19. Much can happen before the second ballot to influence the voters' ultimate choice. It is significant, however, that voting intentions for the first round — "when people vote with their hearts rather than their heads," according to the conventional wisdom — have remained virtually stable since the late autumn of last year.

All the disagreements between the Socialists and the Communists over their common programme, the bitter quarrels between the Gaullists and their coalition partners, the warnings by Government leaders against a Soviet - type collectivist society, and the diatribes by spokesmen of the Left against capitalist exploitation, have apparently cancelled themselves out.

Forecasters agree

The professional forecasters are the only people in France who agree with each other. In the first round on Sunday, the combined parties of the Left are expected to obtain 51 to 52 per cent. of the popular vote and the present Government coalition parties (Gaullists, Giscardiens and centrists) about 45 per cent.

These findings give the lie to those like M. Jacques Chirac, the energetic Gaullist leader, who have claimed impatiently for at least two years that the Left had built up such a big lead because the Government, and particularly President Giscard d'Estaing, were not electioneering hard enough. For weeks, if not months, M. Chirac has been haring round the country predicting doom and destruction if the Left came to power, kissing babies and slapping the backs of his farming cronies in the Correze department, apparently to no avail. His party's score, according to the polls, still hovers around 22 per cent., not much more than the alliance of Giscardiens and Centrists.

No doubt, the economic situation explains some of the discontent, though, given the international picture since the 1973 oil crisis, France has not done too badly compared with some of its western European partners. M. Raymond Barre, the avuncular economist Prime Minister who was appointed by the President in August, 1976, to put the brakes on a headlong dive into inflationary growth, reversing the policies of his predecessor M. Chirac, need not be too ashamed of his achievements. Last year, in a poor world economic climate, France still had a growth rate of around 2.5 per cent., far below the average over the last decade and a half but reasonably satisfactory in the context of the austerity policies which he was obliged to apply.

But the man-in-the-street, in France or elsewhere, has little time for international macro-economic comparisons. The widespread confidence in M. Barre's ability to cure France's economic ills which was reflected in the opinion polls for several months after his appointment soon turned sour.

Progressively, it was the negative side of the Prime Minister's policies—the high rate of unemployment, still above the 1m. mark, and the wages freeze—which began to loom large in people's minds.

The parties of the Left have made the maximum political capital out of these inevitable consequences of any austerity policy. Their promise that the national minimum wage will be raised by a vertiginous 37 per cent. to Frs.2,400 (about £260) a month if the Left wins the election, which became a big issue in the final stages of the campaign, has been an obvious vote-catcher.

Yet when all is said and done there are good grounds for the view that the present popularity of the Left is not merely the result of the Government's economic policies but is due to more fundamental, if less tangible factors. After 20 years of conservative rule by the Gaullists and their allies, the French people want to see new faces in the Government even if, as M. Barre quipped the other day, the faces on the Left have been around just as long—longer in the case of M. Francois Mitterrand, the Socialist leader.

The disenchantment with the ruling parties was already very evident from the results of the last general election in 1973, when the combined Left obtained nearly 46 per cent. of the votes cast in the first round. It became even clearer in the presidential election of 1974 when, in a straight second ballot duel with M. Giscard d'Estaing, M. Mitterand scored 49.3 per cent., only just short of the absolute majority required to become President.

The tide will be reinforced this time by some 2m. new voters between 18 and 21, at least 60 per cent. of whom, according to the most recent surveys, are expected to vote for one of the parties of the Left.

To conclude from all this, however, that the French people want change for change's sake would probably be mistaken. While President Giscard d'Estaing, when he was still riding the crest of a popularity wave immediately following his election, managed to push his Government and Parliament into adopting a series of much-needed social measures, his lack of a solid parliamentary majority has frustrated the implementation of a much more fundamental reform programme.

The astonishing economic progress of the past 15 years notwithstanding—France is now in fourth position in the western growth and trade league tables—little has been done to achieve a fairer distribution of the country's riches. The gap between the highest and lowest paid is still one of the largest in the industrialised world, and the fiscal system in spite of all the promises to reform it remains a monument to inequality.

France continues to hold the doubtful honour of being the most centralised of all the western European democracies and the paint has not even been scratched off the problem of regional reform. At a time when Britain is heading towards regional devolution, this is a dangerous situation to be in, for British developments will surely have an influence on Breton and Corsican opinion, to name only the most obvious areas of regional discontent.

In short, the country needs a new *elan*. Whether the majority of the people really want to go as far as the programme of the Left, either in its Socialist or Communist form, is another matter. But, as one left-wing Radical leader has pointed out: "The French are so conservative that you have to threaten to rebuild their whole house before they will agree to have the dining-room repainted."

Though the parties of the Left are still disagreed on the contents of what was once called their "common programme"—negotiations on its revision broke down last September—both do propose a fundamental rebuilding job. Nine of the country's biggest industrial groups and the whole banking and financial sector would be nationalised if the Left came to power. The minimum national wage would be raised by substantially more than a third, inevitably leading to increases in the wages of other categories of workers, social security benefits would also go up, and nearly 900,000 jobs are supposed to be created by the end of 1979.

The Socialists, at least, do not deny that the financing of such an ambitious programme would face any Government with serious economic problems. While they have carefully costed their various measures and are banking on a large increase of revenues from the fiscal gains of pushing up growth to an annual rate of 4.9 per cent., they do admit that the probable budget deficit for 1978 of Frs.9bn. (about £950m.) will be tripled.

Much has been made of the cost of this programme by government spokesmen. Both President Giscard d'Estaing and M. Barre have forecast galloping inflation and a sharp drop of the exchange rate of the franc if the programme were implemented as promised. The Prime Minister has said that it will require either a doubling of taxes or an unacceptable and highly inflationary increase of the money supply.

Many small businesses, it is claimed, will go bankrupt as the result of the greatly increased wages and social security burden they will have to bear. External payment problems could soon force the Government to apply controls on imports and capital movements, thus breaking the Common Market treaties, to say nothing of Gatt regulations.

The extent to which these prophecies of doom, which have greatly intensified during the last week of the campaign, have influenced the electorate is difficult to gauge. It is doubtful whether they will make any difference to the results of the first ballot, since the public opinion polls indicate that people have long ago made up their minds how they will vote to-morrow. They could, however, be an important element in determining the final choice of the 14 per cent. or so of voters who were still undecided when the latest public opinion polls were taken.

The really decisive factor on which the whole election hinges is whether the Socialists, Communists and left-wing Radicals—the partners in the defunct Union of the Left—can agree on an electoral pact between the two rounds of voting. If, as has been the normal practice in recent elections, the Communists in the second round stand down in favour of their partners in all those constituencies where the latter emerge as the leading representatives of the Left, there seems little reason to doubt that the combined forces of the Left will be victorious. If they do not, so that Socialist and Communist candidates are still splitting the vote in the second round, the Government coalition can scrape home.

The Socialists have already made a unilateral promise that they will stand down whatever the Communists decide. If the Communists have so far declined to give a similar undertaking, it is because they want to make sure that their support in the country, as measured by the voting in the first round, is sufficiently strong to enable them to hold their own within a Left-wing Government. At the moment, the polls show that the Socialists, who are likely to obtain something like 28 per cent. of the popular vote, compared with the Communists' 21 per cent., will be in a much stronger position.

This is considered to be a matter of vital importance by the Communists. Having failed to persuade the Socialists to agree on a common programme before the election, they fear that the latter, once they are in command, will be tempted to forget their campaign promises and pursue what the Communists contemptuously describe as "social-democratic policies."

In an eleventh-hour concession, the Communists now appear to have agreed on a summit meeting with the Socialists and Left-wing radicals next Monday or Tuesday, after the results of the first round have been announced. Such a meeting can hardly give birth to an agreement on a common programme, which the Socialist leader, M. Mitterrand, has, in any case, refused to conclude before the election is over. It can only produce an electoral pact and a general political declaration, expressing the intention of all the partners of the Left to participate in a Government if they win a parliamentary majority.

The great question-mark of the election is whether the Communists will agree to be the junior partner in a Government of the Left and thus accept a watering down of their own principles and policies. For better or worse, the future of France depends on their decision.

Mr. Jacques Chirac, the Gaullist leader, has been campaigning energetically, but does not appear to have attracted voters back to his party or the coalition.

Letters to the Editor

Land

From Mr. P. Minton.

Sir,—Mr. Brady (March 3) equates land with Rembrandts and Cezannes—does he then believe that the world could be fed, houses built or minerals mined from those delectable items? Could he not live without one? Perhaps he would like to put his strange comment that "land is not unique and fundamentally different from all other objects of our requirement" to the test by trying to exist for just one hour without making use of it or its produce in any form!

If he survives that hour—then he is right and Mr. Bilitch wrong, but I think that he will rapidly come to the realisation of how wrong his ideas are! Land has value only because of the community which surrounds it. We all create the undeveloped value of land by our acts, our taxes, our being. It is not the creation of some speculator who forecasts that there will be demand so why should we, the people, not recover that value we all create?

As he says, the price of land, under land value taxation, will tend to zero. So we who own a house and a bit of land will be a trifle incommoded, but since all land will tend to zero when we move it will be to a site which has also lost its value! Surely we can cope with the minor problems that might arise in order to bring justice to the community? It is, after all, only the speculator who forecasts, correctly, that we will increase the value of his holdings who can be really hurt.

Peter K. Minton,
Underwood,
Hardwick Road,
Whitchurch, Reading.

Producers

From Mr. O. Lee.

Sir,—I am amazed at the responses of Messrs. Dauris and Brooke (March 3) to Jan Hildreth's letter. Could it be arranged that, on different days of course, they should visit Meriden and enquire how much importance the workers there now ascribe to customers?

It has been known since before the days of Canute, that power corrupts and absolute power corrupts absolutely. But we still find people who want to turn the tide when everyone knows deep down, that only the moon can do it. We have but to take the examples of Swan Hunter and British Leyland to give a strong indication to Mr. Brooke that on present form, by the time their workers achieve full power, they will have insufficient customers left to serve, either efficiently or inefficiently.

The idea of workers getting rid of management and assuming sovereignty, indicates that they see industry as a political and not an economic engine. Wealth has to be created before it can be enjoyed. Industry and economics are about wealth creation which has to come before wealth distribution which is politics. Demand comes from customers and markets. No amount of money or numbers of shareholders can sell pups in a market which insists on having cats. Nor does it help if Government intervenes with a committee which proposes to castrate all dogs. Someone must breed cats and finance the gestation period. If the unions can do it alone they would have my blessing but the task seems big enough and sufficiently urgent, to demand a contribution from everyone to the limits of their capacity in their dual role of producers and consumers.

O. R. Lee,
Crestu,
5 West Side Common,
Wimbledon, S.W.19

Government

From the Prospective Parliamentary Labour Candidate for Hereford.

Sir, — Despite Mr. Rogaly's assertion (March 7) that "the Government may have prevented the country from falling apart . . . it has brought down the rate of inflation . . . deserves congratulations for arranging a succession of policies of wage restraint . . ." he still concluded that Labour does not deserve to win the next election. To be fair, Mr. Rogaly also reckons the Tories to be equally undeserving (though they didn't make his headline).

It is worth pointing out that during the time of Labour's "early radical fervour and intellectual bite," an attitude Mr. Rogaly hankers for, they were regularly trounced at the polls. the Conservative Party really was the Conservative Party, social deprivation was rife and unemployment had somewhat nastier consequences than to-day.

In truth, Labour policies have only been allowed to develop as fast as public opinion will sustain them. This fact, coupled with the unrelenting demands of the public, requiring more out of an economic system which had neither the planning nor the performance to provide it, brought us to near disaster.

There are many in the Labour movement who share a vision of far-reaching reforms, who believe a Labour Government should mean more than an economic repair kit but realise that winning votes and Government are a necessary prerequisite. To win votes and to govern is to solve to-day's problems. "Preventing the country from falling apart" seems to me quite a good start. Rome was not built in a day: Mr. Rogaly's article was probably written in a good deal less.

Ian R. Adshead,
45, Porchester Road, Hucclecote,
Gloucester.

Heathrow

From the Chief Public Relations Officer, London Transport

Sir,—In advocating special facilities for air travellers with heavy baggage who use the new Underground link with Heathrow Airport, Lady Burton of Coventry (March 6) can hardly suggest that they have been "brushed off by London Transport with no attempt to consider the point."

The issue was decided by the Minister of Transport on the recommendations contained in a report from a group of nine members—London Transport being only one—which was published in 1970 advocating the tube link.

The majority of air passengers travel light. Meeting the special needs on the Underground of those who are heavily encumbered would create serious disadvantages for a very large number of other travellers. The Underground is designed to move large numbers of passengers who carry with them what they can conveniently lift, but not those who are weighed down by a quantity of luggage which they find it difficult to cope with unaided.

For these reasons, which were well understood when the Heathrow extension was approved by the Minister in 1970, it has always been part of the plan to maintain the airport coach link so that there shall be a means of travelling at moderate cost to and from central London for passengers with heavy luggage. To concentrate heavy luggage handling at one London station would result in slow boarding and alighting and unacceptable delays to what is essentially a rapid transit system.

The Heathrow link cannot meet every need. It was designed to benefit the majority of air travellers and, at the same time, to dovetail into the Underground system as a whole with all its other requirements including the carriage of people, with as much baggage as they can handle unaided, who join it from London's main line stations and with whom the Underground has coped successfully for many years. All the evidence suggests that these objectives are being achieved.

F. E. Wilkins,
55, Broadway, S.W.1.

Inflation

From Mr. G. Kenna.

Sir,—I wonder if I am alone in thinking that the present method of publicising the rate of inflation—say the "year-by-year percentage"—really gives a misleading picture, certainly to those on fixed incomes.

If one assumes that the Retail Price Index increases by 20 points each year one would say that inflation was steady, neither increasing nor reducing. But when this is reduced to a year by year percentage one gets a picture of a steadily reducing rate of inflation.

Let us say that the RPI is 100 at the start of a five year period and goes up by 20 points each year. At the end of the first year the year by year percentage increase is 20 per cent. But at the end of the second year—with the same increase in RPI—the percentage is 16.6 per cent. and so on until the end of the fifth year it is 11.1 per cent. with the same increases in prices as in the first year. Single figure inflation seems only a matter of time.

Would not a truer picture be shown if the increase in the RPI in any year was compared with the increase in the previous year?

George Kenna,
"Wavebrook," Chagford,
Devon.

Cheques

From the Managing Director, Protimeter.

Sir, — Lloyds Bank at Leigh-on-Sea bounced one of my customers' cheques for £18.63p, because he had committed the apparently inexcusable offence of putting February 18, 1977 instead of 1978.

We pay in at Lloyds, Marlow. We bank at Williams and Glyn's in Lombard Street. Thus Lloyds at Leigh-on-Sea had to send the cheque back to Lloyds, Marlow, who sent it to Williams and Glyn's, who sent it to us, who sent it to the customer who will, hopefully, send it back. We shall then pay it in at Lloyds, etc., etc. Just consider all the bookkeeping involved! The total cost to three banks and to us must roughly equal the amount of the cheque.

Could not banks have the courtesy of phoning a customer whose cheque contains a typographical error? Should not cheques remain payable for, say, two years, rather than the present six months?

E. G. Goher,
Meter House, Fieldhouse Lane,
Marlow, Bucks.

Rates

From Mr B. Standing.

Sir,—I read (March 4) that Mr. Roland Freeman has dismissed as a "political pipe-dream" the Tory commitment to abolish rates if they are returned to power.

Quite a few of the electors of Finchley must have been tempted to vote for Mr. Freeman last year when he vowed that if the Tories won County Hall, the days of the present rating system would be numbered. "Under the next Conservative Government, household rating will come to an end," he said (Finchley Times, April 28, 1977).

What has caused Mr. Freeman to change his view so dramatically in less than a year? No wonder the Conservative Party has a reputation for cynical political expediency.

Bruce Standing,
(Liberal GLC candidate for Finchley, 1977),
112 Oakleigh Road North,
Whetstone, N.20.

Canals

From the Chairman, British Waterways Board.

Sir,—I read with interest the letter from Mr. Eldon Griffiths MP (March 6) in connection with the Select Committee's report on British Waterways Board. As he points out, Mr. Griffiths was the Parliamentary Under-Secretary at the Department of the Environment during the period 1971-74.

There have been suggestions in some newspapers (not the Financial Times I hasten to add) that the problems highlighted in the report by the Select Committee result from some sort of personal disagreement between Mr. Howell and me. Nothing could be further from the truth. The Board's protestations have been to successive Governments back to 1968, as those who read the Select Committee's report carefully, will see.

(Sir) Frank Price,
British Waterways Board,
Melbury House,
Melbury Terrace, N.W.1.

Banking

From Mr. J. Snow

Sir,—Perhaps the large clearing banks should stop complaining about unfair competition from building societies long enough to ask themselves whether the resources which they are channelling into their insurance broking subsidiaries in competition—competition which, incidentally, has at least a tinge of unfairness on occasion—with the established insurance broking market, would be better spent on improving their banking services to the point where the public would not feel obliged to seek such facilities elsewhere.

J. R. Snow,
6 Turnball,
Chiseldon, Swindon, Wilts.

A chink in De Beers' diamond armour

BY PAUL CHEESERIGHT

MR. ROSS FRAMES is a forgotten figure of corporate history. He was chairman of De Beers in the days before the company was indissolubly linked with the name of Oppenheimer, when the diamond industry was fragmented and returns were uneven.

But back in 1923, he was moved to ask the following: "The question arises at times whether some method or machinery for the sale of diamonds cannot be devised which would give results more satisfactory to the producers."

The answer was to come in the form of a unified system of selling based on the Central Selling Organisation, run by De Beers and introduced in 1930 when diamond sales reached just £3m. Last year, CSO sales were worth £1.07bn.

Over the last 47 years, the diamond industry has become tightly organised, geared to the smooth flow of stones from the mines right through to the ultimate consumer—the girl sporting a diamond engagement ring or the engineer using the hard, cutting edge of the industrial stone.

Until recently, it had not been an industry geared to speculation, to the holding of rough, or unpolished and unprocessed stones in the hope of either a capital gain or a hedge against currency movements. And in this respect it is the gem stones, not the lower quality industrial diamonds, which matter. For although they are only 20 per cent. of the mine output, they constitute some 80 per cent. of the value of all the diamonds produced.

But in the last six months a chink has appeared in the armour of tight organisation, because some diamond traders have been siphoning off the rough stones and holding them, instead of pushing them down through the processing chain. The policies of De Beers and the CSO are being undermined, and there is no clear indication so far of practical steps they can devise to handle the problem.

The initiative is with De Beers, for its claim to be "leader of the diamond industry" is not idle boasting. The leadership starts at the mining stage. De Beers has been a producer since the late nineteenth century and now has a larger output than any other single group.

Production in 1976 was 10.5m. carats out of a world total of nearly 47m. carats. And the production will rise. An expansion programme in southern Africa is already under way and a new mine in Botswana should come on stream in 1982.

The output from the De Beers mines merges with that of other producers in the Central Selling Organisation. A web of contracts links the mines to the CSO, which handles the marketing for all the major producers of the western world.

NATURAL DIAMOND PRODUCTION
(Million metric carats)

	1974	1975	1976
Zaire	17.0	17.0	17.0
USSR	12.0	12.0	12.0
S. Africa	8.0	7.3	7.3
Ghana	2.4	2.27	2.22
Angola	1.94	0.5	0.4
Sierra Leone	1.7	1.48	1.09
Namibia	1.6	1.74	1.69
Botswana	2.4	2.37	2.36
Tanzania	0.6	0.6	0.5
Venezuela	0.5	0.6	0.6
Liberia	0.6	0.6	0.5
Cent. Afrcn. Rep.	0.4	0.4	0.4
Ivory Coast	0.3	0.3	0.2
Brazil	0.3	0.4	0.5
Other Countries	0.1	0.1	0.1
World total	49.24	48.16	46.86

Of all the countries with an output of more than 2m. carats, only Ghana stands aside from the CSO. The idea is simply that the CSO will buy diamonds from the producers at a contracted price — the contracts being reviewed from time to time — and then charge itself with the selling.

The result is a sophisticated worldwide cartel, which over the years has built up financial resources to withstand the lean times. An indication of its success has been the attention given it by the U.S. anti-trust authorities. De Beers now finds it more tactful not to maintain a direct presence in the U.S., the largest market of all for gem diamonds.

The CSO in effect runs a buffer stock for the industry. If the demand for gems is depressed, then it funnels on to the market only a small amount of stones. When the demand is high it keeps the flow steady, but never puts prices down. Last year for example, there was a whopping 15 per cent. rise in March — or, at least, so it seemed at the time until the CSO added on a further 17 per cent. in December.

There are about 300 direct clients of the CSO. Ten times a year they come to London for what are called sights. This is another word for sales, for each client is presented with a package of stones, tailored as far as possible to his needs.

The client either buys the whole package of gem stones or leaves it alone completely. There is no picking and choosing. This gives rise to a certain tension in the relations between the CSO and the merchants involved, who may complain they are not receiving what they want, that the classification of the stones is not what they had in mind, that the stones are badly sorted.

Certainly there is endless scope for a clash of interests given the infinite variety of stones and the infinite variety of prices which goes with it. But the clients can do little about it. The range of stones at the command of the CSO is far wider than they could find elsewhere — in Ghana, for example.

But there is another factor which ties the clients to the CSO, beyond the fact that no other system has been devised which works as well. It is the solidity of the industry's structure, which has been brought about by careful marketing.

"The stability which has been achieved has always been felt necessary for the well-being of the diamond industry, not because overall production is in excess of a steadily increasing demand, but because oversupplies do occur in particular qualities from time to time and this might otherwise cause wide fluctuations in prices," explained the last De Beers annual report.

"Although price fluctuations have, rightly or wrongly, been accepted as normal in the case of most raw materials, they would be destructive of public confidence in the case of a pure luxury such as gem diamonds of which a large quantity is held in the form of jewellery by the general public," the report added.

The CSO makes its decisions about the amount and quality of the rough stones it puts in the hands of the dealers at the London sights by careful monitoring of the jewellery demand. Once the diamonds have been put into the system, they go through a number of stages before appearing in the shop windows.

Their first stop is the cutting centres, where the stones are polished and sometimes split in order to make them ready for the jewellery designers and manufacturers. The largest of the centres is Antwerp, followed by Israel, Bombay, New York, London, Germany, Puerto Rico and Amsterdam.

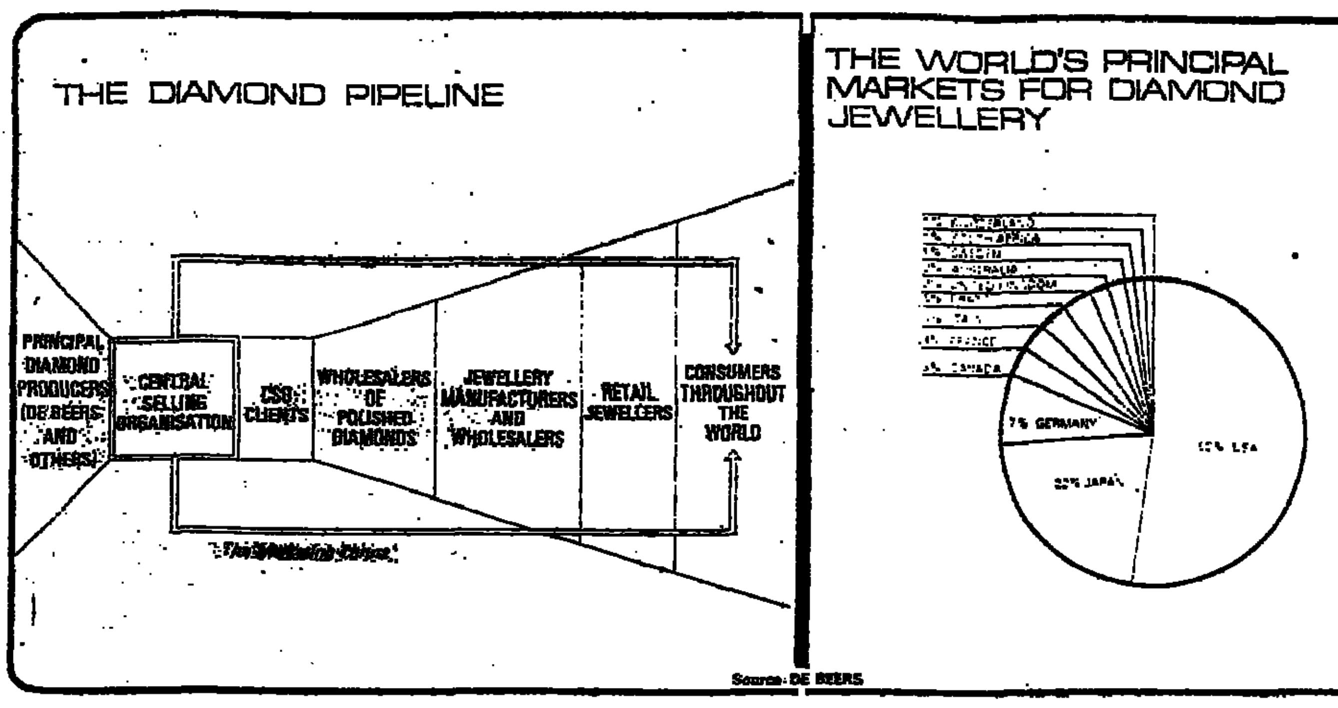
After the early processing, the jewellery is made up and passed on to the consumer market backed by advertising. The direct De Beers and CSO interest stops after the sights, save for an extensive publicity campaign.

The advertising agencies engaged by De Beers have coined the slogan, "A diamond is for ever," and have developed the theme into "A diamond is for now" and "A diamond is for him." They have sought to make the diamond synonymous with long-lasting personal attachments.

And they have succeeded, as the profit figures for De Beers testify. After sluggish earnings in 1974 and 1975, the group's net income climbed to R337m. in 1976 and R633.48m. (£376.9m.) last year, as sales from the CSO reached higher and higher peaks.

The reason is partly to be found in the spread of affluence, especially in the U.S., Japanese and German markets. But the increased sales also owe something to the spread of the traditional view that the diamond is a store of value.

This second factor manifests itself in three ways. The first would be actively encouraged by De Beers, the second can be regarded by the group with indifference and the third poses at least a temporary threat to the well-ordered running of the industry as De Beers sees it.



Source: DE BEERS

The first way is consumer buying of diamond jewellery, where the motive for purchase might be love but where there is an element of seeking security through the possession of an object of beauty and value. Meeting this demand is what the De Beers and CSO system is all about.

The second way is the holding of polished stones in bank vaults in the hope of making a capital gain. It is investment buying of diamonds which, according to Diamond Selection of Hatton Garden, is on the increase, but has not yet attracted institutional buying. It is the prerogative of the rich individual.

Diamond Selection points out that the number of diamonds bought for this purpose is relatively small. But the firms in the field are active in their advocacy. In a comment on prices, Bentley Diamond Trust of Bermuda, which operates an investment trust buying and selling cut and polished stones, claims "Two and three carat investment quality diamonds advanced 40 to 60 per cent. during 1977."

There is no threat here to the De Beers system; no major build-up of stocks in the flow of stones from CSO to consumer. That threat comes from the cutting centres and is the third way of using the diamond as a store of value.

This week, De Beers was sufficiently perturbed to issue an unprecedented warning of the "dangers inherent in this situation." Instead of passing on the rough stones to be polished and processed, merchants have been hanging on to them, knowing the market was firm, and realising that the diamonds they had on hand were better security than paper currencies. This is especially the case in Israel.

The practice has spread over the past six months to the extent that rough stones have been changing hands at prices 50 per cent. higher than those of the CSO. The diamonds have been stocked on bank credit.

A similar situation arose in 1969-70 and resulted in a shake-out when interest rates shot upwards. De Beers clearly fears that something similar might happen now, resulting in a dislocation of the merchanting system. But it is also worried about a turn in the market because it argues that the price of the rough diamonds is at a level "not justified in relation to prices at consumer level." The bubble might burst.

Figures about the stocks held speculatively in the cutting centres are unobtainable, even if they exist, but what seems to be happening is that some sort of counter stockpile to that held by the CSO has developed, albeit in an unsystematic way. This threatens De Beers' policy of working above all for stability.

It takes some months for problems with rough stones to have an effect on the market further down the chain, the manufacturers and the retailers, but it is rather like having a garden hose with a partial blockage in it: the water comes through eventually, but not with the speed or in the quantity the gardener wants.

De Beers' scope for corrective action seems limited. It could put up CSO prices again — many expect this to happen — but there is reluctance to do this because it might simply inflate values still further in the cutting centres.

It could reduce the flow of diamonds on to the market through the CSO, but that would only make those in the system more prized and ultimately lead to an escalation of prices in the shops, a step De Beers would be loath to take because of the possibility of a deeper world recession restricting demand.

De Beers could, on the other hand, put many more diamonds on to the market. But the possibility of a glut of supplies, while it might flush out the speculative holdings, would also work against the very principles of stability the whole of the De Beers organisation stands for.

The group has resorted instead to a low-key propaganda campaign, the centrepiece of which so far has been its warning statement. But as the experience of Chancellors and Finance Ministers in their efforts to talk currencies up and down has shown, the market has a will of its own.

Of course, the whole elaborate structure of the diamond industry built up since 1930 is not likely to come crashing down around the rough stones in the cutting centres—it is too firm for that—but the fact remains: De Beers is in a dilemma.

Weekend Brief

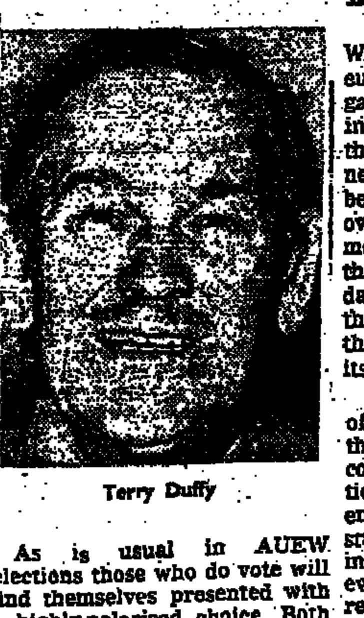
Who's afraid of AUEW

Ballot papers will be arriving at the homes of thousands of engineering workers this morning in an election which has as its prize the leadership of Britain's second largest trade union.

Mr. Hugh Scanlon retires in October as president of the Amalgamated Union of Engineering Workers, a post which he has held for a decade surrounded by more publicity and controversy than most union leaders attract. He will be succeeded as a result of this month's ballot by either Mr. Bob Wright, 56—the man long regarded as Mr. Scanlon's chosen heir—or Mr. Terry Duffy, 55, who has achieved a remarkably rapid rise to prominence since sweeping Mr. Wright from the AUEW executive in 1975.

Most of the ballot papers now on their way to members will find their way into dustbins unmarked. Even though the election is for one of the most influential union offices in the land, and even though participation has increased since the AUEW introduced postal voting, the one certainty is that the majority of the union's members will take no part in choosing their next president.

In the first round of the contest last October 27.3 per cent. of the members on the union's electoral role voted, representing just over one-fifth of the entire membership.

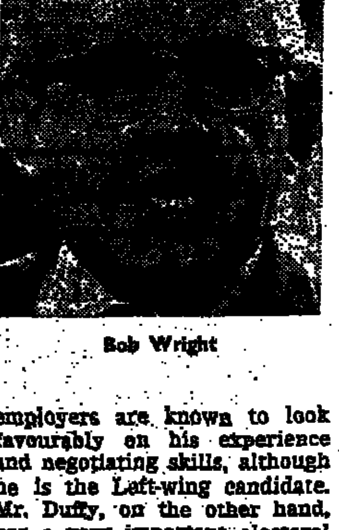

Terry Duffy

As is usual in AUEW elections those who do vote will find themselves presented with a highly-polarised choice. Both the finalists have the backing of the two powerful political factions in the union—Mr. Duffy is the choice of the Right-wing group within the AUEW and Mr. Wright of the Broad Left.

Mr. Duffy was a tiny 356 votes ahead of Mr. Wright at the end of the October round and the Left and Right political machines are now engaged in frantic activity to ensure that every one of their supporters votes.

However, more than 74,000 votes were cast in the last round for candidates who have now been eliminated and it is these, plus the votes of any other members who are not committed to one of the political factions, which will determine the outcome.

For the uncommitted voter the name of Mr. Wright, an executive member for seven years and now assistant general secretary, is probably more familiar in the union. For some years the best-known union official handling British Leyland affairs a number of engineering


Bob Wright

employers are known to look favourably on his experience and negotiating skills, although he is the Left-wing candidate. Mr. Duffy, on the other hand, has a very important electoral power base in the West Midlands and says he is quite content to rest on shop stewards' assessment of his negotiating skills.

On incomes policy Mr. Wright says that "without eulogising free collective bargaining, because there are some inequities in it, I believe it is the job of the union to negotiate wages for its members. When you throw that overboard you make a union moribund." Mr. Duffy believes that if the Government of the day produces proposals which the trade union movement thinks are valid it should give its support.

If acceptance of a Stage Four of incomes policy means that the Government will be able to continue the victory over inflation and help create a permanent improvement in living standards, says Mr. Duffy, he is in favour of it. Mr. Wright, however, declares that he totally rejects a Stage Four and will not contribute to its success.

In Mr. Duffy's view the abolition of the distinction between white collar staff and manual workers in terms of conditions of employment would be one of the best possible contributions towards improving industrial relations on the shop floor.

The AUEW's electoral system and its division on Left-Right lines can lead to the differences between candidates appearing rather greater in election speeches than in the real world of day-to-day negotiations. And whichever man is elected will find himself constrained by the union's highly-structured system of democracy to carry out national committee and executive decisions. The AUEW is in the process of choosing a constitutional rather than an absolute monarch.

Travel trails

THE INFLOW of foreign tourists to Britain can be seen as either a blessing or a benefit, partly depending on whether you live and work in central London, but there is no doubt that it makes a major difference to the balance of payments. Net invisible earnings from travel, the balance between what is spent by foreigners in the U.K. and by Britons abroad, was second only in importance to North Sea oil in showing the largest improvement in 1977.

Official figures published earlier in the week show that the net earnings from travel rose by £391m. last year to £1.01bn., compared with only £245m. in 1975. Visits to the U.K. exceeded those abroad for the first time.

The rise in net earnings is the result of a combination of a sharp increase in receipts — up 31 per cent. last year as more visitors came to the U.K. and spent more — and of a much slower rise in payments by U.K. visitors abroad — up 11 per cent. in 1977.

A large part of this can be explained by the impact of the appreciation of sterling which has made it both cheaper to come to the U.K. and more expensive for Britons to go overseas. In addition, the Jubilee celebrations may have given a special boost to visits to the U.K. last year while travel abroad has been restricted by the squeeze on real incomes in the U.K.

This was seen most clearly during the late spring and summer when the net surplus on travel was nearly a fifth higher than a year earlier. But the rate of increase in tourists to the U.K. was tailing off by the late summer and by the end of last year was little higher than at the end of 1976.

Consequently travel earnings fell from £574m. to £520m. between the third and fourth quarters of last year. This could overstate any decline because of defects in the seasonal adjustment. But the rise in sterling in the last 18 months — up 14 per cent. from the autumn 1976 low against an average of other currencies — has probably had an impact.

The squeeze should in theory have been greatest on visitors from the U.S. in view of the weakness of the dollar but this has been partially offset by the price cutting on air fares across the Atlantic. Moreover the flow of tourists from Japan and West Germany should not have been affected since sterling has fallen slightly against these currencies.

The other side of the overall rise in sterling, especially when compared with the currencies of some Mediterranean countries, has been an increase recently in the number of visitors going abroad. Travel payments rose from £250m. to £310m. between the third and fourth quarters of last year and all the signs are that there will be a further significant rise in 1978. So it looks as though the net gains from travel could be smaller this year compared with the peak total of 1977 but well up on the levels of the early 1970s.

Pigs have wings

"When pink pigs fly over this works" forecast a blastfurnaceman at the East Moors steelworks, Cardiff, recently, "then British Steel might pay us off with £20,000 apiece to close down."

This week the East Moors closure has been agreed by the 3,500 work force. At a number of other old steelworks which are losing money, and which British Steel does not want, men are looking skywards in the hope they might spy one or two pink pigs heading their way.

Suddenly the idea of selling one's job to the boss is fashionable in the steel industry. The East Moors joke about £20,000 hand-outs was all but realised by the longest-serving men who won up to £17,500 each in redundancy payments and compensation for the early closure of the works. The biggest agreed works closure in recent British industrial history has been agreed because Sir Charles Villiers, chaiman of Bitsh Steel, has been prepared to regard the mens' dreams as legtimate aspirations.

His reasoning is that if the corporation can save, say, £5 by an economy measure it is reasonable that the person who helped bring that economy about should be recompensed with some proportion of the saving. The saving of £20m. to £30m. expected from the early closure of East Moors will be at the cost of some £9m. in payments to the workforce. But that is being shared between Britain and the European Coal and Steel Community in the ratio two-thirds to one-third.

British Steel appears to have found a formula which will make the closure of other old works much easier to arrange.

Indeed, the prospect of buying jobs may be a major factor in pulling British Steel out of the red.

Most of the big modern steel works are over-manned by international standards. The unions have been reluctant to allow cuts in the labour force. Now the prospects of a lump sum sufficient to buy a new car or put a down payment on a house are expected to encourage a new mobility of labour.

British Steel will be employing about 196,000 after East Moors has closed. As long as the price is right it may be possible to "buy-in" another 20,000 jobs.

Economic Diary

TO-DAY—Mr. Denis Healey, Chancellor of the Exchequer, addresses Labour Party meetings at Middleton, Manchester, and at Accrington.

SUNDAY—Mr. James Callaghan, Prime Minister, and Chancellor Helmut Schmidt of West Germany, meet in Bonn for private talks.

MONDAY—European Central Bankers begin two-day meeting in Basle. Two-day debate on defence opens in House of Commons. Engineering workers' pay talks resume. European Parliament in session, Strasbourg. Scottish National Party statement on the Budget. Political and Economic Planning and Centre for Studies in Social Policy announcement on merger. Retail sales (Feb.-prov.).

TUESDAY—Balance of payments current account and overseas trade figures (Feb.). Power workers union meet on pay. Private inquiry opens on pay—train guards' dispute. Amalgamated Union of Engineering Workers women's conference, Eastbourne. Mr. Joe Gormley, president NUM, at Westminster Chamber of Commerce luncheon, Hyde Park Hotel, S.W.1. Sir John Methven, director general CBI, at National Federation of Building Trade Employers luncheon, Royal Lancaster Hotel, W.2.

WEDNESDAY — CBI monthly council meeting. Index of industrial production (Jan.-prov.). Basic rates of wages and normal weekly hours (Feb.). Monthly index of average earnings (Jan.). Mr. Eric Varley, Industry Secretary, at Foreign Press Association luncheon, 11, Carlton House Terrace, S.W.1.

THURSDAY—Commons debates White Paper on expenditure. Building workers' pay talks resume. U.K. banks' assets and liabilities and the money stock (mid-Feb.). London dollar and sterling certificates of deposit (mid-Feb.). Bank of England quarterly bulletin will include fourth quarter figures for U.K. banking sector; financing of the Central Government Borrowing Requirement; and money stock.

FRIDAY—Retail prices index (Feb.).

SATURDAY—Prime Minister addresses Labour Party Scottish Council conference, Dunoon.

COMPANY NEWS + COMMENT

Midland Bank on target with £193m.

SECOND HALF pre-tax profit of **Midland Bank** was £9.42m. lower at £90.41m. leaving the full year figure for 1977 ahead from £166.4m. to £192.83m., in line with the forecast made at the time of the January, 1978 rights issue.

At that time, the directors said it should be borne in mind that interest rates fell to a low level in the second half of 1977, particularly by comparison with the generally high interest rate structure of the previous two half years.

Basic earnings per £1 share are given as 64.3p (55.8p) for the year, and fully diluted as 58.8p (51.3p). A final dividend of 1.75p net, as forecast on the increased capital, raises the total to 14.75p (12.62582p) costing £20.07m. (£16.73m.).

Tax took £104.92m. (£89.55m.), minorities £2.7m. (£2.95m.) and extraordinary debits £2.74m. (£2.2m.) leaving attributable profit up from £71.71m. to £82.47m.

Shareholders' funds stood at £688.33m. (£622.37m.) at the year end.

	1977 £000s	1976 £000s
Trading profit	*183,951	159,610
Share of assocs.	29,624	[illegible]
Loan interest	20,745	15,448
Pre-tax profit	192,830	166,397
Tax	104,915	89,548
Net profit	87,915	[illegible]
To minorities	2,702	2,945
Extraord. debits†	2,742	2,198
Attributable	82,470	71,710
Dividends	20,066	16,725
Retained	62,404	54,985

*After deducting £2.17m. in respect of staff profit sharing scheme for period from August 1 to December 31, 1977. †Comprises loan issue expenses £1.96m. (£1.24m.), losses on disposal £0.32m. (£0.24m.), share of extraordinary items of associates £0.46m. (£0.71m.).

Mr. Malcolm Wilcox, a chief general manager, said later that the group's experience in the second half was consistent with that of the domestic banking sector generally, although it did rather better in lending. The group was able to make up volume with some of its major industrial customers, while the international experience was fairly steady throughout.

Overseas growth

He stated that for the current year it will be very difficult to match the trends of recent times. "We must expect that interest rate levels in the U.K. will show up in the experience of the clearing bank and other domestic operations. In the specialist sectors and on the international side I would hope to maintain our past performance," he added.

Asked for his expectation on U.K. interest rates, Mr. Wilcox said: "I would expect marginally up, nothing very exciting. It would be nice to think it would be demand which would cause them to rise, but I do not think we will see a large increase. Industrial loan demand has seen a pleasant increase in the past few weeks."

With something like 30 to 35 per cent. of the bank's earnings derived from abroad, taking the group as a whole, he added that he would like to see 40 per cent. of operational earnings having an overseas origin.

Cautious outlook

For home banking, Midland had a "very cautious outlook" this year. International lending, he felt, was "more on a plateau than an upward facing slope."

At home he could see increases in leasing and factoring and Thomas Cook would contribute more. Insurance broking rose last year from £15.8m. to £21.9m. but Mr. Wilcox did not see it going to £25m. this year.

Asked about bad debts, he said last year was "a good year in the context of the bank's overall bad debt position."

See Lex

SCOTTISH NTHN. RENEWS LOAN

Scottish Northern Investment Trust has renewed its loan of 3.5m. U.S. dollars from Clydesdale Bank for three months with effect from March 6, 1978, at a rate of interest of 8⅝ per cent. per annum.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo American Inv.‡	400	April 28	260	600	410
McCleery L'Amie	0.25§	May 26	—	0.25	1.25
Ault and Wiborg	1.3	June 2	1.2	1.95	1.8
Bestwood	0.91	April 27	0.82	0.91	0.82
St. Helena Gold	80 cents‡	May 12	60	—	115
Winkelhaak Mines	58 cents‡	May 12	30	—	86
Bracken Mines	20 cents‡	May 12	13	—	25
Kinross Mines	23 cents‡	May 12	12	—	34
Leslie Gold	7 cents‡	May 12	nil	—	3
Lake and Elliot int.	1.45	May 12	1.43	—	3.49
Brittains	0.8	May 17	0.7	1.5	1.05
J. Shakespeare	1.21	—	1.07	1.92	1.74
Midland Bank	1.75†	July 5	—	14.75	12.63
Geo. H. Scholes int.	4	May 17	4	—	16.59
Glanfield Secs. int.	4	April 3	4	—	8.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents throughout. § For 14 months.

Near £13m. from C. & J. Clark

On net sales 20 per cent. up at £184.52m. for 1977 C. and J. Clark, shoe maker, expanded trading profit by 13 per cent. to reach £12.92m. After tax earnings were down 2 per cent. at £6.92m.

The results of Hanover Shoe Inc of Pennsylvania, acquired on December 29, 1977, for about £14m. are not included.

The company is unquoted.

Peak £0.85m. for Joseph Shakespeare

Despite a marginal decline from £453,000 to £425,000 in the second half of 1977, **Joseph Shakespeare and Co.** ended the year with pre-tax profits £76,000 higher at a record £845,000.

Sales by the group, which makes forgings and parts for tractor, automobile and other industries, were up at £7.97m., against £6.5m.

Tax takes £437,000 (£360,000) and stated basic earnings per 5p share come out lower at 5.24p (6.11p or 5.25p fully diluted). A net final dividend of 1.2089 lifts the total to 1.9239p (1.739p).

Profit was struck after depreciation of £180,000 (£134,000) and bank interest of £70,000 (£57,000).

At year end net assets were £4.3m. (£3.76m.).

G. H. Scholes unchanged at half-time

Although turnover increased some £1m. to £4.84m., pre-tax profit of **George H. Scholes and Co.**, electrical engineer and maker of electrical products, was little changed at £792,763 for the half year to December 31, 1977, compared with £795,816.

Tax takes £412,237 (£413,824) for a net profit of £380,526, against £381,992, giving stated earnings unchanged at 8.9p per 25p share.

The interim dividend is kept at 4p net, absorbing £171,000 (same)—the previous year's final was 12.5863p and profit came to a record £1.86m.

Sidlaw down but sees recovery

Sir John Carmichael, chairman of **Sidlaw Industries** said at the AGM that it was only now in the last month of the company's first half year that signs of uplift in textiles and hardware divisions were appearing.

Despite better results from oil services and engineering division, group profit for the first half would be appreciably lower than in the previous year. However the chairman foresaw a significant improvement in the second half of the year.

The group is involved in the spinning and manufacturing of jute and flax etc. and in textile exporting.

Wagon Finance well placed

IN HIS annual statement, Mr. S. M. de Bartolome, the chairman of **Wagon Finance Corporation** says that the group is well placed to face the future and expresses confidence that it will once again give a good account of itself.

As reported on February 20, pre-tax profit advanced from 1.64m. to a record £2.15m. for 1977, on turnover of £9.52m. (£7.98m.). The dividend total is 4.125p (3.75p) net, and a one-for-one scrip issue is proposed.

The cost of funds for the first half amounted to 1.44m., but following the sharp decline in interest rates it fell to £1.11m. for the second half. The chairman states the benefit from this source must be regarded as exceptional and not likely to be repeated in the current year.

A statement of source and application of funds shows net liquid funds had increased by £3.88m. (£6.32m. decrease) at year end.

With regard to the Hyde proposals, the directors estimate that a gearing adjustment based on retail price indices would reduce stated profit by 563,000; compared with this figure, £548,356 was retained in the business out of the 1977 profit.

Amounts advanced under new credit agreements were up 24 per cent. to a record in 1977. Unearned finance charges carried forward at the end of the year increased £1.09m. to £6.42m. and are a good foundation on which to build 1978 profits, Mr. de Bartolome adds.

Meeting, Sheffield, April 4, at noon.

Lonsdale Universal ahead so far

Mr. Norman Ramseyer, chairman of stationers and printers **Lonsdale Universal** says in his annual statement that figures for the first quarter of the current year are around 20 per cent. higher than those for the corresponding period last year.

Of the future, he states that the balance sheet shows a strong financial base for development and he is confident of the group's ability to continue its progress. Under present conditions the group should be able to maintain its growth with some acceleration as new production facilities become fully operative.

In the current year, capital expenditure is primarily intended to develop further the group's production facilities in lithographic printing and film extrusion.

As reported on January 27, turnover for the year to September 30, 1977, rose 25 per cent. to £26m. and pre-tax profits advanced 36 per cent. to £1.24m.

An analysis of turnover and profits on a divisional basis (£000s omitted) shows: U.K. office stationary and printing £17,806 (£13,356) and £1,466 (£889): Overseas office stationery and printing £579 (£536) and £71 (£29): Bookselling £2,628 (£2,290) and £142 (£151): Retailing £3,753 (£3,599) and £85 loss £14 profit): Print machinery £1,099 (£939) and £63 (£90): management costs £149 (£161) and £412 (£259) loss.

Glanfield Secs. to hold profit

PROFITS FOR the six months to September 30, 1977 of **Glanfield Securities**, an investment holding company, advanced from £239,000 to £267,000, subject to tax of £126,000 against £115,000.

The current lower interest rate will reduce the rate of profit for the second half, say the directors, but it is not anticipated that the full year figure will be materially different from the previous year's £511,000.

The net interim dividend is maintained at 4p per 25p share—last year's final was 4.5p.

Hume sale proceeds go into equities

Hume Holdings, an investment trust, announces completion of the sales of properties referred to in the interim statement in January.

The long leasehold office building at 142/144 Minories EC was sold for £2.1m. (book cost some £456,000) and the jointly owned freehold shop and office property at North Bailey House, Oxford, for £1,275,500 of which Hume's share was £701,530 (book cost around £495,000). The agents acting for Hume in these transactions were Richard Ellis and Jones Lang Wootton respectively.

The net proceeds after allowing for capital gains tax and repayment of fixed interest borrowing amounted to some £1.9m. and practically all of this sum has recently been reinvested in U.K. equities to show a marked improvement in after tax revenue.

T. Cowie heading for record year

Mr. Tom Cowie, chairman of T. Cowie told the AGM that the group was on target for another record year with profits for the first five months of the current year running well in excess of last year.

A £2m. facility has been secured for seven years from Barclays Bank and this finance would be most beneficial in stocking and expansion, he said.

"Our business is strong and we look to the future with total confidence."

The group is involved in motor vehicle dealing, credit finance, etc.

Goodman Bros. & Stockman

A pre-tax profit higher at £254,000, compared with £234,000, is shown by **Goodman Brothers and Stockman**, clothing manufacturer, for the six months to October 31, 1977. Sales, including exports unchanged at £1.1m., were up from £4.72m. to £5.11m.

Basic earnings per 5p were higher at 1.271p (1.195p adjusted for scrip) or 1.23p (1.131p) fully diluted.

The tax charge was £132,000 (£122,000) leaving an attributable total of £122,000 (£112,000).

Ashley Ashwood

Lord Armstrong, chairman of Midland Bank. Profits fell by some £9½m. in the second half of 1977.

Ault & Wiborg ahead to record £2.13m.

RECORD taxable earnings of £2.13m., against £1.93m., are reported by Ault and Wiborg Group for 1977. Sales by the company, which makes and markets printing inks, printers' rollers, paints, chemicals and costings, were up from £27.46m. to £33.93m.

At halftime, when profit was £0.13m. up at £1.06m., the directors said that efforts were being made to improve margins, which had slipped from 8 per cent. down to 7 per cent.

A net final dividend of 1.3p per 25p share raises the total to 1.95p (1.8p).

After tax of £1.29m. (£1.04m.) net profit emerged at £838,000 (£893,000) of which £455,000 (£539,000) was retained.

● comment

Second half figures from Ault and Wiborg are very similar to those of the first six months, masking a rather patchy performance from various subsidiaries. Certain products, including printing inks, various types and paints (including paint for motor vehicles) and specialist chemicals (for the textile, paper and chemical industry itself) have held up well. But those activities largely dependent upon the construction industry have been depressed. Some areas of paint production have been hit as have resins for use in fibre glass.

Meanwhile A and W carried out much of its planned capital expenditure on re-equiping the chemical and printing ink divisions. Overall £1.4m. was spent at a time when working capital requirements went up by £1.1m. But helped by a large slice of deferred tax—around £850,000—the increase in bank debt was a modest £500,000 to £1.8m. The shares held steady yesterday at 32½p where the yield is 9½ per cent. On the stated 60 per cent. tax charge the p/e is 7.3 but allowing for the deferred tax it drops to 3.6.

McCleery L'Amie loss increases to £0.48m.

IN REPORTING a deficit of £483,000 for the 14 months to December 31, 1977, against a loss of £19,000 for the year ending October 31, 1976, Sir Desmond Lorimer, the chairman of McCleery L'Amie tells shareholders that "it is with considerable disappointment that I have, once again, to report very poor results."

The loss for the 14 months period follows a deficit after six months of £265,000, which was accompanied by a statement from the Board saying that it "would be imprudent to forecast a return to profitability in the second half of the curent year."

The Board of McCleery L'Amie, a Belfast-based textiles, ropes and carpets group, report that over the last eight months of the period the company had sustained an exceptional bad debt, write-offs from "abortive work" in the building and engineering division and "unprecedented losses" in the rope and twine division, both at home and overseas.

The chairman, while reluctant to forecast a return to profitability in the current financial year, says that "Given reasonable trading conditions, I am more than hopeful that 1978 will see a return to profitability and a more acceptable dividend policy."

A final of 0.25p for 1977 is to be paid from reserves—the total for the previous year was 1.25375p.

	14 mths. 1976-77 £000	Year 1975-76 £000
Turnover	21,502	16,587
Trading profit	625	678
Depreciation	659	413
Interest	449	285
Loss before tax	483	19
Tax credit	262	176
Net loss	221	†157
Extraordinary items	196	26
Minorities	140	11
Preference dividend	4	3
Loss attributable	561	†129
Interim dividend	—	97
Proposed final	32	64

† Profit.

LDN. & ABERDEEN TO PAY OUT 6p

A distribution of 6p per share will be made on March 23 to the holders of London and Aberdeen Investment Trust preferred and deferred Ordinary 5p shares.

Brittains improves to £600,000

THOUGH TAXABLE profit slowed down to £194,000, against £208,000, in the second half of 1977, **Brittains** finished the year ahead from a depressed surplus of £329,000 to £601,000.

Sales by the company, which has interests in fine papermaking, light and civil engineering, haulage and insurance broking, were up £2.2m. at £29.44m.

Civil engineering orders in hand are substantially higher than at this time last year, and there is evidence also in other sectors that the outlook is better than at this time last year, Mr. K. R. Latchford, the chairman says.

Furthermore, benefits from the group's major capital expenditure programme will begin to be felt this year. With these factors in mind, and although it is too early to make a forecast of profits for 1978, the Board are encouraged by the way in which trading has started.

Earnings per 25p share were better at 4.1p (1.2p) and the net total dividend is raised to 1.5p (1.05p) with an 0.8p final.

There is no U.K. Corporation Tax liability and, in line with the proposals in ED19, no charge has been made for deferred tax in respect of the results of the wholly-owned U.K. subsidiaries.

The improved results were achieved despite the problems that arose from general inflationary cost increases, narrow margins, uncertain trading conditions and the Government's restrictions on public expenditure, says Mr. Latchford.

There was a steady increase in production and sales in the plastics division and a satisfactory profit improvement was achieved.

Government spending cuts in the public sector for the first half affected the workload and performance for the year in the civil engineering division, but reduced costs and steady expansion in sales volume enabled the haulage division to show a better profit.

The light engineering division is now showing a modest profit contribution and has a much stronger current order position, he adds.

As announced on January 28, terms have been agreed for the subscription for £1.5m. new share capital and £500,000 loan capital by Equity Capital for Industry; acquisition of Wolvercote Paper Mill from Oxford University Pre[ss] and sale, for £1m. cash of t[he] group's 50 per cent. interest Brittains Riegel.

The acquisition is to be financ[ed] by an issue of 2.3m. 25p shar[es] and loans from the vendors £1.1m. repayable over ten years.

Full details of the transactio[n] are now being sent to membe[rs]. The sale of Brittains Riegel w[as] completed on February 24, a[nd] completion of the other deals w[ill] follow the extraordinary meeti[ng] on April 3, if approved.

	1977 £000	1976 £000
Sales	29,441	[illegible]
Paper	12,978	[illegible]
Plastics	6,369	[illegible]
Light eng.	461	[illegible]
Civil eng.	7,161	[illegible]
Haulage	2,387	[illegible]
Insur. broking	85	[illegible]
Trading profit	1,784	[illegible]
Paper	740	[illegible]
Plastics	668	[illegible]
Light eng.	21	[illegible]
Civil eng.	123	[illegible]
Haulage	129	[illegible]
Insur. broking	21	[illegible]
Interest	957	[illegible]
To minorities	296	[illegible]
Pre-tax profit	601	[illegible]
Tax	125	[illegible]
Net profit	476	[illegible]
Extraord. debits	284	[illegible]
Attributable profit	192	[illegible]
Ord. dividends	170	[illegible]
Pref. dividends	15	[illegible]
To rev. reserves	7	[illegible]

* Loss. † From revenue reserve.

● comment

Latest results from Brittains, t[he] specialist paper to insuran[ce] broking group, are accompani[ed] by its 28 page circular to shar[e]holders relating to Equity Capit[al] for Industry's cash injectio[n]. Part of the deal with ECI involve[s] the sale of the 50 per cent. stak[e] in Brittains-Regal, the specialis[t] plastic laminates group. This wa[s] returning £412,984 pre-tax in tota[l] for the last financial year on turn[]over of £2.7m. and net curren[t] assets of £587,701. But if Brittain[s] was to stay in this market i[t] would have had to put more financial muscle into the opera[]tion at a time when technology was complex, and competition fierce. So the group continues to trim its operations. Brittain's is now beginning to sort out its cash flow problems. But trading within the group is still patchy with four-fifths of profits locked into a weak paper cycle while retentions have been sliced by £284,000 of closure costs. At 27½p the shares stand on a p/e of 7 and yield 8.5 per cent., covered two and a-half times.

Lake & Elliot static in difficult year

AGAINST A difficult trading background, Lake and Elliot, a manufacturer of steel castings, marginally improved its taxable profit by £24,000 to £570,000 for the half year to January 31, 1978, on slightly reduced external sales of £9m. against £9.11m.

Order books have maintained an improvement of £1.5m. over last year's level and increased sales are programmed for the second half, say the directors, who warn that there is as yet little sign of any general market growth.

First half profit was subject to lower tax of £295,000 (£316,000), owing to comparatively better performances by overseas subsidiaries.

The net interim dividend is 1.452p (1.43p) per 25p share, costing £144,000 (£142,000)—for all 1976-77 payments totalled 3.4914p from a £1.12m. pre-tax profit.

● comment

Despite the surgery carried out on Lake and Elliot's engineering interests last year—involving the closure of the French hydraulic jack manufacturing capacity and Cockburn's Glasgow factory—group pre-tax profits were only slightly above the depressed level of a year ago; and engineering again only just broke even. Two years ago engineering (mainly valves sold to shipbuilders and suppliers of petrochemical plant) made annual profits of £½m. but last year this contribution sank to just £12,000 as both these markets, notably shipbuilding, turned against the group. Meanwhile the group's other main division, steel foundries, has also been operating in a deteriorating world trading climate and in the full year is unlikely to produce much more than the £1.1m. profit made in 1976-77. However a higher level of engineering orders should mean slightly better profits from this division in the second half, but group profits may still only be around £1.2m. for the 12 months. On a full tax charge the prospective p/e is 8.6 on earnings of 5.7p which on maximum dividend increase would provide a cover of just under 1½ times. The prospective yield is 11.7 per cent. at 51p.

ISSUE NEWS

GEO. ARMITAGE PREF.SCRIP

George Armitage and Sons, an unquoted brick manufacturing company, is proposing a scrip issue of new 10½ per cent. Second Cumulative £1 Preference shares on the basis of one new preference share for every three ordinary shares held.

The issue requires alteration to the company's Articles of Association and hence the prior sanction of holders of existing 4.2 per cent. Preference shares will be needed.

As compensation for varying their voting rights it is proposed to increase their dividend from 4.2 per cent. to 5 per cent.

AGB—95%

AGB Research announces that the one-for-four rights issue at 65p per share, to raise £991,183, has been taken up as to 95.48 per cent.

The balance has been sold at a premium of 18.5p and the net proceeds amounting to 17.94p per share will be distributed pro rata among the provisional allottees entitled thereto.

Results due next week

Dominating next week's batch of company results is **British Petroleum**. Its prospects for 1978 have attracted a good deal of interest and comment in recent weeks from analysts in the U.S. and U.K. who are concerned about the deteriorating world trading climate for oil companies.

Other results to note next week include figures from **Brooke Bond Liebig, United Biscuits, Rolls-Royce Motors and Kleinwort Benson Lonsdale.**

There is some confusion among analysts as to the extent to which currency and other year-end adjustments will have depressed BP's full-year results due on Thursday and this has caused a good deal of uncertainty about profit forecasts. Ahead of Shell's figures this week some analysts were anticipating that net income from BP would be around the £270m. mark (£179.8m.). However since the Shell results at least one of these analysts is revising his forecast downwards, taking the view that the currency adjustment on stocks may be worse than originally feared. The market is much more concerned about the recent pessimistic forecasts for BP profits in the current year. The progressive down-grading of these estimates lies behind the recent sharp slide in BP's share price.

While the market is expecting better first-half results from **Brooke Bond Liebig on Tuesday** there is some variance of opinion as to the extent of the improvement with pre-tax profit forecasts ranging from £18½m. up to £23m. compared with £16.8m. In the first half the plantation side should have benefited from the still relatively high tea prices, compared ith a year ago, while the largest slice of profits from the Indian business is traditionally taken during this period. Against this, the tea blending side in the U.K. is thought to have suffered a sharp drop in volume sales while margins came under increasing pressure towards the end of the period. Meanwhile prospects for the second half look dull as the effects of lower tea prices work through, and the Price Commission recommendation on tea prices could mean a further attack on margins.

At the time of its rights issue last October, **United Biscuits** forecast pre-tax profits for the year £36m. However the market is expecting the group's figures, due on Tuesday, to show that UB has squeezed out a little bit more than this. Some analysts are forecasting profits of around £38m. compared with the previous year's £33.2m. Judging from recent statements the snacks industry appears to have had a difficult time last year and this may have affected KP. But the branded biscuit side is thought to have done well.

Stock market analysts have had some difficulty in compiling profits forecasts for **Rolls-Royce Motors'** full year results, due on Monday. The group is changing its approach to currency swings affecting overseas assets which it is now taking below the line to comply with ED 21 recommendations. This means that the previous year's figures will be re-stated. There is a fairly wide range of forecasts for the 1977 figures but pre-tax profits of between £8½m. to £9m. seem the most likely bet. The car side is thought to have been flat with the group plagued throughout the year by industrial disputes both internally and at outside suppliers. Against this the diesel side is thought to have done well and the prospects for the group's engine for the new Chieftain tank look very good.

Merchant bankers **Kleinwort Benson Lonsdale** are due to publish full year figures on Tuesday and the market is expecting a significant improvement on the previous year's post tax profit of £6½m. Kleinwort is traditionally conservative with its account but disclosed profits may be at least £7½m. or so. Rising gold prices, particularly in the second half, will have helped Sharps Pixley (bullion dealers) while the bull market last year, particularly in gilts should have lifted investment income and commissions. Meanwhile the lower interest rates, while reducing the return on short term loans, probably enabled merchant banks (which could offer cheaper money compared with overdrafts) to increase market share.

Other results to note next week include interims from **Ductile Steels** and **Sime Darby** while **Vosper** and **Smith and Nephew** announce final figures.

Company	Announcement due	Dividend (p)* Last year Int	Last year Final	This year Int
FINAL DIVIDENDS				
Arthur Bell and Sons	Wednesday	1.445	1.375	[illegible](c)
Booser Engineering	Wednesday	0.39	0.901	0.42
Britannic Assurance Company	Wednesday	2.94	3.277	3.0
British Petroleum Company	Thursday	6.875	12.914	7.179(f)
Camellia Investments	Wednesday	—	1.515	—
Church and Co	Friday	0.6	2.42	0.7
T. Clarke and Co.	Wednesday	0.46	0.751	0.51
Richard Clay and Co.	Thursday	1.0	[illegible]	1.0262
William Collins and Sons (Holdings)	Thursday	1.6	2.932(i)	2.086
East Lancashire Paper Group	Tuesday	1.172	1.759	1.532
Fairclough Construction Group	Tuesday	1.0	1.25	1.1
Federated Land and Building	Tuesday	0.7	1.2	0.75
Finlay Packaging	Wednesday	0.225	0.311	0.25
Gibbons Dudley	Thursday	0.506	1.645	0.5915
Globe and Phoenix Gold Mining Company	Tuesday	—	0.625	—
Grindlays Holdings	Tuesday	0.5	2.0	1.0
Hall Engineering (Holdings)	Friday	2.177	2.178	2.343(j)
Isle of Man Enterprises	Monday	—	2.0	—
John I. Jacobs and Co.	Wednesday	0.455	1.201	0.55
Johnson Group Cleaners	Thursday	1.175	2.789(a)	1.265
Kleinwort, Benson Lonsdale	Tuesday	[illegible]	2.179	1.664(b)
Lambert Howarth Group	Tuesday	0.9	1.97	[illegible]
G. F. Lovell and Co.	Wednesday	—	Nil	—
Manchester Garages	Wednesday	0.175	0.5	[illegible](m)
Noble and Lund	Friday	[illegible]	[illegible]	[illegible]
Pentos	Tuesday	[illegible]	2.145	1.452
Rolls-Royce Motors Holdings	Monday	[illegible]	2.2	1.874(e)
Thomas Robinson and Son	Wednesday	[illegible]	2.575	0.774(k)
Sharpe and Fisher	Thursday	0.7	1.422	[illegible]
John C. Small and Tidmas	Thursday	1.0	1.0	1.0
Smith and Nephew Assoc. Companies	Thursday	0.705	1.15	[illegible](d)
George Spencer	Thursday	0.758	1.491	0.75
United Biscuits (Holdings)	Tuesday	1.555	2.867	1.75
Vosper	Tuesday	2.067	2.071	2.5(h)
James Wilkes	Thursday	1.355	2.067	1.355

Company	Announcement due	Dividend (p)* Last year Int	Last year Final	This year Int
H. Woodward and Son	Wednesday	0.5	[illegible]	0.5
Yorkshire Chemicals	Wednesday	2.115	2.135	2.35
INTERIM DIVIDENDS				
Sidney C. Banks	Friday	1.1	2.5	
C. H. Beazer (Holdings)	Monday	1.5	[illegible]	
Blue Bird Confectionery Holdings	Friday	1.575	2.024	
Brooke Bond Liebig	Tuesday	0.756	2.005	
Dawnay Day Group	Monday	Nil	1.0	
Ductile Steels	Tuesday	1.781	3.295	
Elson Holdings	Wednesday	0.55	1.091	
Fairview Estates	Tuesday	[illegible]	[illegible]	
R. Green Properties	Monday	0.5	[illegible]	
HTV Group	Thursday	6.0(g)	4.0	
Mills Marsters Group	Thursday	1.667	3.499	
I. D. and S. Rivlin Holdings	Monday	[illegible]	Nil	
Second City Properties	Tuesday	[illegible]	[illegible]	
Sime Darby Holdings	Thursday	[illegible]	[illegible]	
Stothert and Pitt	Tuesday	[illegible]	[illegible]	
Trafford Park Estates	Wednesday	2.145	7.405	
James Walker Goldsmith and Silversmith	Wednesday	1.042	2.09	
Wolseley-Hughes	Thursday	[illegible]	[illegible]	
INTERIM FIGURES ONLY				
Briarav Group	Tuesday			
Glendevon Investment Trust	Monday			
Parker Timber Group	Monday			

* Dividends shown net, pence per share and adjusted for any intervening scrip issue. [illegible] Second interim in lieu of final. [illegible] Includes special dividend of 0.025p [illegible] Includes second interim of 1.419p. (b) Includes special dividend of [illegible]. [illegible] Includes special dividend of [illegible] (d) Includes special dividend of [illegible] for the six-month period ended June 30, 1977. (f) Includes special dividend of [illegible]. [illegible] Includes special interim of [illegible]. (h) Includes special dividend of [illegible]. (i) Includes special dividend of [illegible]. [illegible] Includes special dividend of [illegible]. (l) Includes special dividend of [illegible]. (m) Second interim of 0.565p.

UNIT TRUSTS

Attractions of property

DIRECT INVESTMENT in property has over the years been held out as a long term investment medium that will provide a good hedge against inflation. Prior to the advent of the property bond, individual investors were forced to invest in property company shares if they wished to have a stake in the property market. Now the advent of the property bond from life companies enables the investor to hold a direct stake in property.

It has always been argued that property represented a direct investment in real assets which by definition were limited in supply. Therefore the value would increase in line with inflation in order to preserve that real value. But the 1974 bear market showed that values can get ahead of the market and that a reaction was therefore inevitable. Nevertheless over the past decade the trend in property values has been steadily upward.

Save and Prosper Insurance is this week-end offering its **Property Fund** to investors, pointing out that since the launch in 1971 the unit value has grown by 53 per cent. Property bond values, as measured by the Money Management Index are at their highest and S and P refer to the growth investment made by pension funds into property as reinforcing its argument for holding about 25 per cent. of one's portfolio in this field. The holdings are well spread by type and location with a minimum investment pitched as low as £250 (£1,000 if you wish to use the withdrawal facility).

In contrast M and G group is offering its **American and General Fund** as the equity investment for the present. The U.S. market has yet to show any good performance despite all the favourable signs, but the group feels that when the recovery comes it will be both sudden and strong. Therefore it is advising to invest early rather than late. You can either make a lump sum investment — minimum £500 or make regular savings with life assurance tax relief of at least £10 per month.

Lawson Securities regard the **Lawson Raw Materials and General Fund** as offering substantial growth in the future, considering that investment in commodities offers a hedge against the continuous fall in the value of money. So far the unit value has appreciated by 47 per cent. in two years and the yield of 7.1 per cent. is more than useful for those investors looking for income. Minimum outlay is £400. For the more cautious investor, Lawson is offering its **High Yield Fund** which with its mixture of equities and fixed interest stocks provides a starting yield of 10.9 per cent. with growth prospects.

Merchant bankers **Schroder Wagg** is drawing attention to its investment expertise and how the small investor can use this through the funds in its unit trust sector. These cover caiptal, income general and European investment.

The self-employed should be concentrating their investment efforts towards providing a pension, because they will get very little from the State scheme, even in its new form. The pension contracts provided by life companies are the most tax efficient method of doing this, with full tax relief on contributions, investment in a tax exempt fund and benefits taxed as earned income and a lump sum commutation that is completely tax free. **Property Growth** is offering the self-employed its **Personal Pension Plan 100** with a choice of four linked funds.

Finally, National Provident Institution is drawing the attention of senior executives to its **Capital Pension Plan** as a means of providing not only high level pensions, but substantial tax free capital sums on death in service or at retirement with the company paying all the costs. Such schemes are the most tax-efficient means of passing assets from the company to the senior executive.

MINING NEWS

Winkelhaak declares higher interim

BY PAUL CHEESERIGHT

PRECISELY IN line with the expectations aroused by higher bullion prices and increased profits in the December quarter, **Winkelhaak**, the South African gold producer in the Union Corporation group, yesterday declared an interim dividend of 58 cents (31.6p).

This is 14 cents more than the interim last year and provides a firm base for payments in the year to next September to exceed the total of the previous 12 months at 86 cents. The pattern of increase is repeated elsewhere in the group.

St. Helena's interim is 80 cents (47.8p) compared with 60 cents last March and a total for the year to September of 115 cents. Leslie paid no interim last year and a final of only 3 cents, but this year's interim is 7 cents (4.18p).

Bracken is declaring an interim of 20 cents (11.9p), or 5 cents less than the total for the whole of last year. The interim at Kinross is 23 cents (13.7p), against 12 cents last March and a total for the year of 34 cents.

ANAMINT PROFIT RISES SHARPLY

A sharp increase in profits and dividends has been announced by **Anglo American Investment Trust (Anamint)** following the record figures announced by De Beers earlier this week. Anamint, now a subsidiary of Anglo American, holds 25 per cent. of De Beers.

Yesterday Anamint announced a final dividend of 400 cents (£2.39) to bring total payments for the year to March of 600 cents, compared with 410 cents in 1975-1977.

Net profits for the year just finishing are estimated at R64.6m. (£38.6m.) against R44.1m. in the 12 months to March, 1977. The increase comes on the back of the strength of the diamond market.

Anamint shares have recently been a firm market, in sympathy with De Beers, and yesterday closed at £35.

ROBE RIVER TO EARN LESS

Robe River Ltd., which holds a 35 per cent. stake in the Cliffs Robe River iron ore operation in the Pilbara region of Western Australia, yesterday announced net profits for the six months to December of $A2.95m. (£1.7m.), compared with $A2m. in the same period of 1976.

But no interim dividend has been declared. And the company does not expect profits to be as high in the second half. The lower demand for iron ore must have at least a short term effect on trading, it said. The shares were unchanged yesterday at 60p.

CASUALTIES AT IMPALA

Two employees of Impala, the South African platinum producer, have died, and three others are in hospital for observation and treatment. They worked in the refinery at Springs and were possibly exposed to noxious fumes.

The company said yesterday that all employees have been removed from the section of the plant in question. A full investigation is taking place.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Improved terms from Comet Radiovision valuing Henry Wigfall at around £14m. were instantly rejected last week by the defending company and its financial advisers. A spokesman for Hill Samuel stated that the holders, representing 45 per cent of the Wigfall equity who rejected the original offer, would also oppose the new one. Wigfall shareholders are now being offered seven Comet shares plus £20 in cash for every ten Wigfall shares.

The directors of London Australia Investment, the Sydney-based investment trust whose shares are quoted only on the London market, have agreed terms of a £9.9m. bid from one of Australia's biggest life assurance companies, Colonial Mutual Life. The latter is offering $A1.57 a share in cash, and will allow shareholders to retain the 5½ cents a share second interim dividend. The bid from Colonial Mutual followed hot on the heels of a revised offer of $A1.40 a share from Colphonium, LAIC's biggest shareholder.

Centreway Holdings is making a last attempt to take over Blakey's (Malleable Castings) by raising its offer to 48p a share. This follows a purchase of a further 75,000 Blakey's shares at the same price through the stock market, bringing Centreway's Blakey shareholding up to 41.05 per cent. Centreway made its original offer of 41p a share in January, which was rejected by Blakey's Board as totally inadequate.

It has been mutually agreed that the proposed merger between two of London's largest stock jobbing firms, Smith Bros. and Bisgood Bishop, is not going ahead despite being given clearance by the Monopolies Commission last week.

Simon Engineering has agreed terms for the take-over of the Gloucester-based engineers Gordon Johnson-Stephens with the Boards of GJS and its principal shareholder West of England Trust. Shareholders accounting for 64.2 per cent. of the equity have irrevocably undertaken to accept the 24p a share cash offer.

In a cash and share deal worth some £1.4m., Manchester Garages is making an offer for the capital of a fellow Ford main dealers W. J. Reynolds Holdings. The offer comprises three Manchester shares plus 64p in cash for every four Reynolds shares.

The bid for Property Investment and Finance, which came from the private Castlemere Properties group, is pitched at 110p a share, a discount of 20p on the stated net assets per share at half-time. The bid has been agreed by the PIF Board which intends to recommend the offer. Imperial Life of Canada holds a large minority interest in Castlemere.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Anston Hldgs.	78*	74	70	2.4	Clerk's Acre (Hassocks)	—
BCA	125†	120	53	1.48	A. P. Cement	—
Blakey's (Malleable Castings)	48*§	48	35	0.93	Centreway	—
Bury & Masco	99½§§	94	80	6.46	Scapa	—
Dawson (James)	129	122	87	5.2	J. H. Fenner	—
Dixor	28*	40	47	0.31	Messrs. Dinsmore & Stark	—
Ellis & Co. (Richmond)	24†	23½	17	1.19	Gough Bros.	—
Gordon Johnson Stephens	24*	18††	18	1.6	Simon Engineering	—
Hamilborne	48*	47	45	0.75	Ferguson Secs.	—
Harrison (James)	59	57	51	3.05	Barratt Devs.	—
Le Vallonet Tst.	26*	28	25	0.6	Air Call	—
Liner Concrete	31	31	32	2.95	Thos. Tilling	15/3
Lockhart (A.)	233	200	170	1.8	Irish Ropes	—
Lond. Aust. Invs.	118*§	125	101	6.28	Hooker Corp.	10/4
Lond. Aust. Invs.	132*	125	123	9.9	Colonial Mutual Life	—
London Sumatra	110*	117	98	17.5	McLeod Russel/Sipef SA	21/3
Pontins	40½§§	39	38††	49.23	Coral Leisure	15/3
Prop. Inv. & Finance	110*	107	106	4.74	Castlemere Props.	—
Reynolds (W.J.)	35§§	37½¶¶	33	1.4	Manchester Garages	—
Warren (Jas.)	62	57	63	0.92	Talbex	13/3
Westn. Canada Inv.	650*§	635	630	0.35	Scot. Eastn. Inv.	—
Whiley (G.M.)	36	33	28	1.1	Assoc. Paper	30/3
Wigfall (H.)	273§§	210	163	14.2	Comet Radiovision	22/3
Young Austen Young	83*	83	66	3.4	Trfalgar Hse.	28/3

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 9/3/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 10/3/78.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Barrow Hepburn	Dec. 31	3,189	(3,413)	8.8	(7.4)	3.674	(3.246)
J. Bibby	Dec. 31	6,174‡	(4,181)§	51.7	(47.1)	6.537	(5.912)
Blagden & Noakes	Jan. 1	4,358‡	(3,781)§	29.4	(27.1)	12.0	(6.025)
BSR	Jan. 7	20,341	(28,651)	15.5	(20.7)	4.772	(4.069)
BTR	Dec. 31	29,000	(24,200)	33.4	(28.1)	9.24	(6.5)
Corah	Dec. 31	3,315‡	(1,181)§	7.3	(4.1)	1.551	(1.0)
Derek Crouch	Dec. 31	2,470	(1,820)	12.9	(10.4)	3.939	(3.527)
Davies & Metcalfe	Dec. 31	330	(216)	9.6	(4.7)	1.32	(1.179)
Fife Forge	Dec. 31	385	(334)	8.8	(14.4)	2.234	(1.986)
Fisons	Dec. 31	21,247	(18,126)	50.2	(50.9)	12.846	(11.512)
Martin Ford	Dec. 3	965§	(660)‡	3.5	(2.4)	2.53	(2.249)
H. Goldman	Oct. 31	44	(177)L	0.4	(Nil)	0.5	(Nil)
Greenfield Millets	Oct. 31	955	(746)	9.8	(3.4)	1.75	(1.097)
Harris & Sheldon	Dec. 31	3,440	(3,240)	6.3	(6.0)	2.972	(2.661)
Alex Howden	Dec. 31	21,383	(18,366)	18.6	(16.0)	5.59	(5.0)
Inveresk	Dec. 31	2,159	(1,537)	7.8	(6.8)	4.86	(4.355)
R. Kitchen Taylor	Sept. 30	800	(534)L	10.9	(Nil)	1.0	(Nil)
Lex Services	Jan. 1	12,483	(7,835)	20.7	(15.3)	3.465	(2.925)
Abel Morrall	Dec. 31	710	(674)	7.5	(5.7)	2.419	(2.166)
Needlers	Dec. 31	201	(248)L	8.7	(Nil)	1.5	(Nil)
Neil & Spencer	Nov. 30	716	(418)	14.5	(14.2)	1.997	(1.788)
New Equipment	Oct. 31	115	(82)	2.6	(1.5)	0.98	(0.878)
Newey Group	Jan. 1	464L	(39)L	Nil	(Nil)	Nil	(Nil)
Nu-Swift	Dec. 31	908	(939)	4.5	(4.6)	1.566	(1.403)
W. L. Pawson	Dec. 19	5L	(139)L	0.5	(Nil)	0.25	(Nil)
Prov. Financial	Dec. 31	9,540	(7,295)	11.1	(8.6)	4.873	(4.408)
Rentokil	Dec. 31	8,546	(7,164)	4.4	(3.7)	1.611	(1.431)
Royal Dutch/Shell	Dec. 31	3.67m.	(3.62m)	92.1	(82.5)	15.704	(14.16)
W. N. Sharpe	Dec. 31	2,865	(2,265)	20.5	(15.5)	3.345	(3.021)
Steetley	Dec. 31	23,499	(19,952)	41.6	(33.5)	6.422	(5.858)
Tavener Rutledge	Dec. 31	207	(529)	7.8	(15.8)	5.808	(5.2)
Transport Dev.	Dec. 31	18,078	(14,760)	7.2	(5.6)	3.187	(2.854)
Ultramar	Dec. 31	24,709	(12,323)	26.9	(16.6)	b	b
Unilever	Dec. 31	550,600	(610,800)	69.3	(77.2)	12.57	(11.3)
F. W. Woolworth	Jan. 31	46,780	(40,609)	5.6	(5.2)	4.175	(3.95)
Yule Catto	Oct. 29	2,490	(1,550)	7.9	(5.0)	1.387	(1.221)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Barratt Devs.	Dec. 31	4,090	(3,840)	2.64	(2.4)
Matthew Clark	Dec. 31	1,510a	(1,567)	1.6	(1.5)
Fredk. Cooper	Jan. 31	232	(148)	0.33	(0.3)
Galliford Brindley	Dec. 31	1,028	(1,175)	0.75	(0.75)
Hampson Inds.	Sept. 30	271	(240)	0.275	(0.25)
Hawthorn Baker	Nov. 30	53L	(13)L	Nil	(Nil)
Hunt & Moscrop	Dec. 31	690	(583)	0.325	(0.238)
J. Jarvis	Sep. 30	151	(278)	4.4	(4.0)
Parker Knoll	Jan. 31	629	(1,045)	0.973	(0.873)
Medminster	Dec. 31	78	(55)	0.9	(0.8)
Park Place Invs.	Dec. 31	146	(39)	0.3	(0.25)
Sandhurst Mktg.	Dec. 31	103	(50)	0.383	(0.282)
Staffs. Potteries	Dec. 31	376	(317)	1.265	(1.15)
Stocklake Hldgs.	Sep. 30	587	(755)	0.75	(0.75)
Strong & Fisher	Nov. 27	372	(1,077)	1.87	(1.7)
Victor Products	Oct. 31	488	(371)	1.33	(1.191)
West of England	Dec. 31	832	(509)	0.65	(0.6)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. ‡ For 52 weeks. § For 53 weeks. ¶ Deferred balance now totals 25.12p. a For eight months throughout. b As usual, no dividend, instead a One-for-15 scrip issue. L Loss.

Offers for sale, placings and introductions

Yorks Waterworks Company: £¾m. of 11 per cent. Redeemable debenture stock 1986 at £98 per cent.

Rights Issues

C. H. Industrials: One-for-six at 25p each.

Scrip Issues

BTR: One-for-ten.
Davies and Metcalfe: One-for-one.
Martin Ford: One-for-four.

BIDS AND DEALS

Marks & Spencer sells 22% of N. Corah

BY JAMES BARTHOLOMEW

Marks and Spencer pension fund yesterday sold 22 per cent. of Corah, a major supplier of knitwear, for £2.1m. But the long and eventful association between the two companies is by no means over.

M and S said yesterday that the trading relationship "is in no way affected and continues to develop to the advantage of both companies." About three quarters of Corah's business is believed to be with Marks and Spencer.

The sale marks a further stage in M and S's disengagement from equity involvement in its suppliers. This process was most decisively pushed forward in 1970-71 when M and S transferred its trade investments to the pension fund by way of a contribution. And following yesterday's disposal, the pension fund now owns no more than 5 per cent. of any M and S supplier with only one marginal exception.

The association between Marks and Spencer and Corah goes back to 1926. M and S had a large trade investment in the company and in 1969, when Corah was having a difficult time, an M and S senior executive went in as managing director.

He left Corah in 1976 due to ill health and now Mr. Corah and Mr. L. O. Helgeson are the joint managing directors. Mr. Corah said yesterday that the fund's decision to reduce its stake was "very understandable."

The main reason given for the sale was that the fund managers did not want to hold more than 5 per cent. of any one company whether an M and S supplier or not. Following the sale, the fund has 1.4m. shares of Corah left, equivalent to 4.9 per cent.

A second reason for selling the stake was that the market in the shares would be improved.

Corah announced tripled profits of £3.3m. for 1977 on Thursday and the shares at 34½p last night are well above the 1977/78 low of 16p.

The 6.4m. ordinary shares sold yesterday through Cazenove went to over 20 institutions at a little under 33p per share. The fund also sold 27,291 of the 6 per cent. cumulative Preference shares.

TAX LAW BLOCKS CARLIOL AND TYNESIDE MERGER

The Inland Revenue has been attacked by the Boards of Carliol Investment Trust and The Tyneside Investment Trust over its interpretation of the law which has effectively blocked the proposed merger between the two trusts. They claim that the revenue's interpretation that Carliol could be faced with a bill for Advanced Corporation Tax of £5m. should the merger go through was unprecedented and ard arguably incorrect. But a statement from the two Boards admitted that there was a degree of ambiguity in the tax legislation, which in the absence of an authoritative court decision could only be resolved by a change in the law.

In view of the impasse reached with the Inland Revenue, the directors considered that the proposed scheme of merger could not be implemented without breaking an undertaking given to shareholders at each of the meetings held last December. Accordingly on March 6, the court was requested to dismiss the petition to sanction the scheme of merger. The costs incurred in the merger proposals amounting to some £53,000 will be borne by the companies in proportion to their net assets.

EDINBURGH & DUNDEE INV.

Edinburg and Dundee Investment Company announces that in accordance with the intention expressed by Britrallpen during the course of the offers, repayment of the principal amount of the 5 per cent. debenture 1980/1990, 5½ per cent. debenture 1990/95 and the 4½ per cent. irredeemable debenture stocks will be made on March 31.

CES agrees £1.7m. for retail chain

THE SEARCH for "suitable acquisitions" announced by Mr. Murray Gordon, chairman of Combined English Stores, at the last annual meeting, has led to an agreed offer for the unquoted retail chain, Kendall and Sons.

Combined English is offering £1.7m. in cash for Kendalls and already has the votes of the Board and a major shareholder who together control 54.3 per cent. of the equity.

Kendall has a chain of 84 ladies' wear shops throughout the U.K. which CES believes will complement its own specialist fashion chains. These include the Harry Fenton menswear group, Salisburys handbags and accessories and the West German boutique chain BIBA and Pariscop Daub.

Last year Kendall lost £606,000 pre-tax and one of the conditions of the offer is that losses for the year just finished (January 28) will not be more than £50,000.

Mr. Gordon said yesterday that he was confident that, as with Fenton and Salisbury, both of which were making losses when they were acquired, CES will be able to turn Kendall round swiftly into profit.

"This year Kendall had a turnover of £5m. and if we can't make £500,000 profits from it in due course I'll eat my hat," he said.

Mr. Gordon believes that Kendall should start showing profits in the first six months of this year as the chain completes its reorganisation aimed at attracting the 18-34 age group.

In the meantime there is the attraction of the properties in the chain. These are in the books at cost, £370,000, but a recent professional valuation puts their value at the beginning of last year at a full £2m. more than this. Since then shop values have risen substantially.

The audited figures for Kendall's last financial year are expected to be available early in April, about the time CES's own figures are due. At the interim stage CES reported a 58 per cent. drop in pre-tax profits to £651,000 due largely to a collapse in menswear trading, but yesterday Mr. Gordon said that menswear had finished the year well.

W. J. REYNOLDS SAYS WAIT

The Board of W. J. Reynolds, the Ford main dealer which is being bid for by Manchester Garages, is reserving its opinion over the £1.4m. offer until it has fully considered the terms with its advisers, County Bank.

Shareholders are advised to take no action in the meantime.

The statement from Reynolds yesterday clarified the position regarding the Wimbledon franchise which Manchester has said will not be available.

The franchise was obtained from Ford in 1975 on a temporary basis while Reynolds looked for larger premises as a permanent site for the dealership. However, there were problems in finding suitable premises and in addition Reynolds became chary of the substantial additional investment that would be required.

As a result Reynolds has been having discussions with Ford about withdrawing from Wimbledon and concentrating its operations in Essex and East London. The final outcome of this has not yet been settled.

OCEAN CORY —HULL BLYTH

Baring Brothers and Co. announce that its offers on behalf of Ocean Cory (Investments), to acquire the 7,123 Ordinary shares and 171,444 3½ per cent. Cumulative preference shares in Hull, Blyth not already owned, have been accepted in respect of 6,881 Ordinary and 169,327 Preference shares, representing 96.6 per cent. and 98.7 per cent. respectively of the shares offered for.

Prior to January 26 Ocean Cory held 228,791 Ordinary (including Directors qualification shares) and 9,937 Preference shares in Hull, Blyth. On January 26 Ocean Cory acquired 415,751 Ordinary and 22,620 Preference shares.

Together with the shares assented to the offers, Ocean Cory now holds respectively 99.9 per cent. and 99.0 per cent. of the Ordinary and Preference capital of Hull, Blyth. The offers, which were from the outset unconditional in all respects, remain open.

MCKECHNIE BROS. —F. W. EVANS

The offer made on behalf of McKechnie Brothers to acquire the capital of Frederick W. Evans has been accepted by the holders of 2,543,804 Ordinary shares together with the relevant new Ordinary shares allotted. This represents 90.81 per cent. of the Ordinary capital of Evans. The offer remains open until further notice. McKechnie intends in due course to acquire compulsorily any outstanding Ordinary shares in Evans.

SHARE STAKES

Cluff Oil and its associate Cluff and Company (Holdings) have notified CCP North Sea Associates that they now hold 10 per cent. of the capital.

Metalrax (Holdings): Throgmorton Trust has sold 100,000 shares leaving holding at 919,983 shares (7.29 per cent.).

D. P. Bevan (Holdings): ITC Pension Trust jointly with ITC Pension Investment holds 384,433 shares.

Letraset International: Mr. J. G. Davies, director, sold 20,000 shares at 97 and 7,000 at 97½p on March 6.

British Bank of Middle East expands by £2m. to £6.53m.

Published profit of the British Bank of the Middle East, a member of the Hongkong Bank Group, advanced from £4,462,039 to £6,530,744 for 1977.

Dividends to the parent company were increased from £3.5m. to £5.5m. From the sum available for appropriation, the directors propose a transfer of £1m. to published reserves and also, that £4m. be transferred from inner reserves to published reserves, which will then total £25m.

At the AGM a proposal will be made to capitalise £2.5m. from these reserves, thus making capital and reserves each £22.5m.

In his annual statement, Mr. Angus Macqueen, the chairman, reports that during the year costs in the Middle East remained very high, reflecting the extremely rapid rise in the cost of living in the fast-developing countries.

The balance sheet shows that current, deposit and other accounts rose by over 8 per cent. to £1.62bn., which would have been considerably higher but for the effect of the appreciation in sterling.

Cash and short-term funds rose by some 18 per cent. and represent about 30 per cent. of the bank's liabilities on current, deposit and other accounts; a further 11 per cent. is represented by time deposits with other banks. Trade bills, including certificates of deposit, and advances to customers and other accounts rose by 11 per cent. and 15 per cent. respectively.

Advances of £807.2m. (£708.7m.) now represent some 50 per cent. of the bank's deposit base, a proportion which has been rising gradually over the years, the chairman adds.

The accounts show that during 1977 an ex-gratia payment of £27,580 was made to a former director.

Delyn expects first half loss again

A first half loss on trading is again anticipated by the directors of Delyn for the current year, due to the seasonal nature of the company's business. However, this is expected to be followed by a more than compensating profit in the second six months. Mr. Geoffrey Fisher, the chairman, tells members.

Further consolidation of the company's method of operation was made last year in preparation for an expansion programme.

Customers demand for Delyn Paper Mills products has continued to increase and this subsidiary holds a substantial order book which will mature in the last half of 1977/78, Mr. Fisher says.

Should the forecast upturn in the economy happen the directors will be in a position to respond to market conditions, he adds.

As known, for the year to October 2, 1977, taxable profit was £26,000 (£2,143) on sales up at £3.66m. (£3.28m.). No dividend has been paid since 1973/74 and there was a £0.44m. loss in 1974/1975.

At year end this time net liquid funds, represented by bank overdrafts showed a decrease of £5,000 (£152,000).

During the year the Welsh Development Agency purchased a 29.65 per cent. of the revised equity and a £180,000 loan was negotiated by the company on favourable terms.

MBP Russell quits banking

Mr. Martin Russell, chairman of MBP Russell, a small private banking concern which has hitherto operated from Moorgate in the City of London, said last night that he was relinquishing his executive responsibilities. A notice placed on the company's door yesterday said that from Monday, March 13, its address would be Carlton House, 33, Duke Street, London, S.W.1.

Mr. Russell said that the address in Duke Street was that of Gulf London Monetary, a company with Arab and British directors, which had told MBP Russell that it was the beneficial owner of 52,000 of the company's shares, some 51 per cent. Mr. Russell added that a letter had recently gone out to customers of MBP Russell stating that the company was withdrawing from the banking business.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Sharp and broad based rally

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 10.

A SHARP and broad-based rally developed in active trading on Wall Street to-day, following the dollar's gain abroad.

The Dow Jones Industrial Average moved up 8.58 to 758.58, making a rise of 11.27 on the week, while the NYSE All Common Index, at $49.48, rose 54 cents on the day and 81 cents on the week. Gains led losses by nearly a four-to-one majority, while the trading volume sharply expanded 5.27m. shares to 27.09m.—the second largest volume of the year.

Support also came from an unexpected decline in U.S. unemployment, which fell to 6.1 per cent. in February from 6.3 per cent. a month earlier.

Late yesterday the Federal Reserve Bank of New York said U.S. Money Supply took another unexpected downturn.

But the market's biggest boost came from the news that senior Bundesbank Officials expect U.S. West German telephone talks over the weekend to produce concrete results to help the dollar.

Combined Communications jumped $2¼ to $35¾ on acquisition talks with an unidentified company.

Fibreboard moved up $¾ to $15¾—Louisiana-Pacific sweetened its offer to $17 a share cash.

Smithkline advanced $2 to $53¾ on raised earnings estimates for 1978.

Control Data rose $1 to $25¼ on a dividend of 10 (25) cents a share.

Abbott Laboratories put on $¾ to $54¾ on a quarterly dividend of 36 (30) cents plus a 100 per cent. stock dividend.

THE AMERICAN SE Market Value Index rose 0.92 to 125.35, making a rise of 2.26 on the week.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Kennecott Copper	342,900	25¾	−¾
Citicorp	255,600	19⅞	−⅛
Coastal States Gas	219,700	17¾	−⅜
IBM	237,000	249⅞	−2
Fannie Mae	211,200	14⅞	−⅛
Schlumberger N.V.	210,300	65⅞	+1⅞
Central/South West	205,200	15⅞	+¼
Emerson Electric	190,600	30⅛	+⅛
Lilly	155,500	34⅛	−1⅛
Sony	183,600	7¼	−⅛

OTHER MARKETS

Canada also higher

Canadian Stock Markets also moved sharply higher in active trading yesterday, with the Toronto composite Index up 9.8 to 1030.2.

The Metals and Minerals Index put on 21.4 to 821.8. Oil and Gas 20.8 to 1369.7. Banks 1.89 to 245.27. Papers 1.48 to 97.44 and Utilities 0.73 to 163.05. But Golds fell 18.8 to 1337.9.

PARIS—Mostly higher on intervention by Institutional investors and following news French President will make TV speech to-day.

U.S. and Canadian stocks, Foreign Oils and Coppers firmed. Germans and Dutch issues mixed. Golds eased.

BRUSSELS—Mixed in quiet trading.

Glaceries de St. Roch rose Frs.120 on an increased dividend.

U.K. and Dutch issues rose, U.S. stocks improved. Germans fell, French shares mixed.

Gold Mines lower.

AMSTERDAM—Mixed, with Internationals higher. Banks again strong, but Transports lower.

GERMANY—Mixed amid caution ahead of French elections and week-end U.S.-German telephone talks on currency situation.

Bond Market easier, with public sector issues losing up to 30 pfennigs. Regulating Authorities bought net DM11.4m. stock.

Mark Foreign Loans eased.

OSLO—Banking, Insurances, Shippings and Industrials quiet.

VIENNA—Generally slightly higher.

COPENHAGEN—Mixed in fair dealings. Banks firmed. Shippings generally higher, Communications steady to slightly higher. Industrials and Comodities mixed.

MILAN—Most sectors declined with buying interest almost absent ahead of end-month settlements.

SWITZERLAND—Markets continued easier, with Bearer stocks particularly depressed as measures to ban Foreign purchases of Swiss securities started to take effect.

SPAIN—Index virtually unchanged. Banks and Utilities, however, were a little better.

JOHANNESBURG — Golds drifted easier in fair trading. Financial Minings also eased.

Other Metals and Minerals easier in light trading.

HONG KONG—Market firmed slightly in fairly quiet and featureless trading.

AUSTRALIA—Minings rose as overseas metal prices aided sentiment. Industrials steadied.

Banks improved. Properties firmed. Motors rose a little. Retailers mixed. Waltons off 5 cents to 82 cents on its results.

Indices

NEW YORK—DOW JONES

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	1977-78 High	1977-78 Low	Since compilat'n High	Since compilat'n Low
Industrial	758.58	750.00	750.87	748.75	742.72	747.31	999.75 (3/1/77)	742.12 (22/2/78)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	89.72	89.58	89.54	89.52	89.58	89.50	95.87 (7/9)	89.53 (26/1/78)	—	—
Transport	201.69	199.51	209.14	199.60	199.75	201.55	246.64 (12/2)	199.61 (9/3/78)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	105.82	105.92	105.41	104.56	105.72	105.65	118.67 (22/2/77)	102.54 (22/2/78)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's †	27,090	21,820	22,050	19,900	17,250	28,120	—	—	—	—

* Basis of index changed from August 24.

	Mar. 3	Feb. 24	Feb. 17	Year ago (approx.)
Ind. div. yield %	6.22	6.14	6.13	4.45

STANDARD AND POORS

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	97.76	96.84	96.58	96.06	95.52	96.16	115.32 (3/1/77)	95.52 (6/3/78)	134.54 (11/1/73)	3.52 (30/6/32)
§Composite	88.88	87.89	87.84	87.56	86.90	87.45	107.00 (3/1/77)	86.90 (6/3/78)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 3	Mar. 1	Feb. 22	Year ago (approx.)
Ind. div. yield %	5.55	5.57	5.47	4.17
Ind. P/E Ratio	8.46	8.40	8.45	10.45
Long Govt. Bond yield	8.20	8.23	8.27	7.76

N.Y.S.E. ALL COMMON

Mar. 10	Mar. 9	Mar. 8	Mar. 7	1977/78 High	1977/78 Low
49.48	48.94	48.87	48.82	57.07 (4/1/77)	48.37 (6/3/78)

Rises and Falls

	Mar. 10	Mar. 9	Mar. 8
Issues traded	1,841	1,820	1,836
Rises	1,127	804	876
Falls	331	515	447
Unchanged	383	501	513
New Highs	—	34	37
New Lows	—	34	38

MONTREAL

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	1977-78 High	1977-78 Low
Industrial	168.09	166.26	166.05	165.91	186.47 (11/2)	156.02 (25/1)
Combined	176.35	174.82	175.29	174.70	187.56 (19/1/77)	165.60 (25/1)
TORONTO Composite	1030.2	1020.5	1023.6	1020.1	1067.4 (19/7)	961.0 (26/1)
JOHANNESBURG Gold	203.8	207.8	210.4	205.1	216.7 (1/2/78)	159.4 (24/3)
JOHANNESBURG Industrials	196.4	198.0	199.4	199.5	214.4 (4/1/78)	169.1 (22/4)

	Mar. 10	Previous	1977-78 High	1977-78 Low
Australia(*)	—	446.08	479.45 (5/1/78)	412.85 (16/2/77)
Belgium (†)	93.08	93.09	99.12 (10/1/77)	90.45 (12/1/78)
Denmark (**)	96.58	97.46	107.92 (6/6)	94.00 (6/2/78)
France (††)	51.0	50.2	58.4 (7/1/77)	45.6 (10/6)
Germany(‡‡)	803.7	803.8	815.5 (17/11)	712.5 (10/3/77)
Holland (§§)	78.3	78.3	95.2 (4/5)	72.5 (29/5)
Hong Kong (¶¶)	430.91	419.93	420.17 (11/6)	325.44 (15/1/78)
Italy (‖)	61.92	62.51	75.71 (5/1/77)	54.90 (22/12)
Japan (a)	392.91	390.22	392.91 (10/3/78)	350.49 (24/11)
Singapore (b)	272.30	271.91	272.30 (10/3/78)	242.22 (5/5)

	Mar. 10	Previous	1977-78 High	1977-78 Low
Spain (d)	88.96	89.02	100.00 (30/12)	88.96 (10/3/78)
Sweden (e)	355.92	353.59	416.66 (22/4)	[illegible] (26/11)
Switzerl'd (f)	280.4	283.4	[illegible]	[illegible]

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (*) Sydney All Ord. (†) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1978 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

F.T. CROSSWORD PUZZLE No. 3,615

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 Supporter for his nibs (3, 6)
6 Upset stomach of officer in charge (5)
9 Edward has French article synchronised (5)
10 Team with regular meals provided at 18 (9)
11 Old Testament female is classed with common soldiers (5, 5)
12 Bit of suburbia seen from south-east motorway (4)
14 Brave to annoy hill worker (7)
15 Money required (7)
17 Sends up new form to hang up (7)
19 Withdraw right to eastern territory (7)
20 Every part of ankle aches (4)
22 In good position to fit in first three (4, 6)
25 Dressing things given to one permitted group (6, 3)
26 Northern Ireland twice cut off conductor of opera (5)
27 Obedient machine surrounding old boy with rubbish (5)
28 Little bird carried by Russian railways towards rising sun (9)

DOWN

1 Irishman I love to court (5)
2 Number of openings available for short course (4, 5)
3 Arrange set of questions for agenda (5, 5)
4 Sing? It's more than Desmond can manage (7)
5 Cardinal's family could be brave (7)
6 Transport caught by sailors (4)
7 Go and make the French welcome (5)
8 Tell CID of new way to catch fish (3, 6)
13 Novel trait could bring fresh air to the scene (10)
14 Cut consumer of domestic appliance (3, 6)
16 European country's accountant is a girl (9)
18 Part of furniture of surgical assistant (7)
19 Told of ringleader in high spirits (7)
21 Go up to key member (5)
23 Select body of men leaves doctor behind (5)
24 Suitable gathering (4)

Solution to Puzzle No. 3,614

PRESENCE OBJECT
R N N L R C E
ADDITION MILLET
I I E B L L J H
SEVERABLE LAPSE
E E E S I S R
AFAR SIAMESE
U S O N D D
POTHOLE CUTE
S A T R O D A
TULIP GATHERING
R L R O T R V R
ELICIT CALAMINE
A N N G S N E
MIGHTY REVEREND

SOLUTION AND WINNERS OF PUZZLE No. 3,609

GAMESOME COFFER
L A T A B V L A
BOWER THREEFEET
B N E U E R E T
OVERTHROW HOTEL
N R C E E E I
DISHED ROADMAN
M S E D I G
ADMIRER CICADA
N B O I H I A
PASSE UNTRAINED
O A A G A R E O
WATERSHED GOTOW
E U E S E E T I
REPORT PLASTERS

Following are the winners of last Saturday's prize puzzle:

Miss I. Buss, 161 Woodbridge Road, Ipswich, Suffolk.

Mr. J. K. Craig, 2 Beauthorn House, Delamer Road, Bowdon, Altrincham, Cheshire.

Mr. J. Lester, 7, Park Square, Leeds 1.

RACING BY DOMINIC WIGAN

High-class field at Sandown

TWO HURDLE races, Sandown's William Hill Imperial Cup and the Panama Cigar final at Chepstow, are the most valuable races to-day and they have attracted high-class fields.

Fifteen are due to take their chance in the bookmaker-sponsored prize and nine—all but two recent winners—have stood their ground for the John Player Prize.

Although Acquaint, last year's Imperial Cup winner, is back in the line-up for the Sandown race with five fewer opponents and only 5 lbs more in the saddle, he has yet to recapture his best form and may well find several too good on this occasion.

I would rather take an each-way interest in Jack Hanson's Winter Melody and the Les Kennard-trained Regent's Garden.

The seven-year-old Winter Melody, a close third behind Acquaint in the same event a year ago, and subsequently the two-length runner-up to Fair Kitty in Newcastle's ICI Petrol Handicap, has had just one race to date this term.

Seven weeks ago Hanson's strongly-made Crepello gelding ran a highly encouraging race in Ayr's £5,000-to-the-winner Johnnie Walker Hurdle, making rapid headway at the halfway stage before tiring on the home turn to finish at the back of the nine runner field.

That race is certain to have brought on Winter Melody considerably and I shall be more than surprised if he fails to give his supporters a good run for their money.

In contrast to Winter Melody, Regent's Garden has been having a busy time, and this will be his eighth outing in the campaign.

Although a slight disappointment since putting up that fine effort in Cheltenham's Bula Hurdle, in which he finished fourth to the long-time champion hurdle favourite, Bird's Nest, Regent's Garden has found extremely testing conditions at least twice recently.

With perfect going expected here, the Prince Regent gelding (in receipt of 7lbs from Winter Melody) can also be expected to figure in the final shake-up.

I expect both to outbattle the possibly faint-hearted second favourite Pinchow though the market leader, Stopped, a stable companion to Acquaint, is clearly one they will all have to fear following his victory at Newbury.

SANDOWN

1.45—Havanus
2.15—Dark Room
2.50—Regent's Garden***
Winter Melody e.w.**
3.20—Spartan Missile
3.55—Double Bridal
4.30—Gentle Prince

CHEPSTOW

1.30—Spare a Dime
2.00—Top Priority
2.30—Romany Furlong*
3.00—Lone General
3.30—Goose Pimple

AYR

2.00—Coffee Boy
4.00—Gone Out

State aid for strapping plant

MR. ALAN WILLIAMS, Industry Minister, announced Government aid of £750,000 to Signode of Fforestfach Industrial Estate, Swansea yesterday towards a £6.5m. project to set up a plastics strapping production line.

SPAIN ♥

March 10 — Per cent.

Asland	105	+2
Hidrola	70.50	—
Iberduero	70.50	+0.25
Olarra	61	+2
[illegible]	[illegible]	[illegible]

BRAZIL

[illegible]

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—93% (93%)
Effective rate (at 1.9625) 40¼% (40¼%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ♦

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN ♣

[illegible]

SWITZERLAND ●

[illegible]

MILAN

[illegible]

AUSTRALIA

[illegible]

AMSTERDAM

[illegible]

OSLO

[illegible]

TOKYO ¶

[illegible]

Source: Nikko Securities, Tokyo

VIENNA

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

Securities Rand $U.S.0.83½
(Discount of 33.5%)

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

مكرر من الأصل

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Oil production boosts Elf-Aquitaine earnings

BY DAVID WHITE

PARIS, March 10.

DESPITE heavy losses in oil refining and distribution, the state-controlled Elf-Aquitaine group turned in a sharply higher net profit of Frs.1.24bn. (about $253m.) for last year on consolidated sales which grew by a gentle Frs.1bn. to Frs.37bn. ($7.8bn.).

The profit compared with Frs.840m. in 1976, the year in which Societe Nationale des Petroles d'Aquitaine and Elf-Erap were brought together into one operation, with the French Government holding about 70 per cent. of the shares.

The dividend, excluding tax credit, was increased from Frs.16 to Frs.17.50.

Last month, the company's recently-installed chairman, M. Albin Chalandon, appealed for state aid to treat the haemorrhage in the refining and distribution sector, which had caused losses of Frs.1bn. last year and an accumulated loss of Frs.3bn. since the energy crisis broke out at the end of 1973. He blamed the chronic situation in refining, which has also hit Elf-Aquitaine's sister-company CFP-Total, largely on the increase in freight rates.

The relatively small increase in sales took place mainly in sulphur and gas and in the pharmaceutical sector, in which the group has an important foothold. Other areas, including Elf-Aquitaine's 50 per cent. share alongside the Rothschild controlled Imetal in New Caledonia's nickel deposits, showed little change.

Elf-Aquitaine said its earnings derived essentially from oil production, which made for an increased cash-flow last year of Frs.5.3bn., compared with Frs.5bn. in 1976.

The group's debts at the end of the year amounted to Frs.4bn. as the result of a slightly increased investment outlay of Frs.9bn. during the year.

In his appeal to the Government, M. Chalandon pointed out that Elf-Aquitaine has to foot half the Frs.20bn. needed to develop the North Sea Frigg Field and that its ability to finance this scale of investment was severely jeopardised by the financial burden of its refining and distribution losses.

The problems posed by overcapacity, he said, were such that the company on its own could not cope with them. "This situation risks being the same in 1978, and can only be solved by action on the part of the state," he warned.

Yesterday, the refining subsidiary of the CFP-Total oil group, in which the state holds a minority stake, announced neither profit nor loss for the second year running.

Holmens Bruk decline

By William Dullforce

STOCKHOLM, March 10.

HOLMENS BRUK, Europe's largest newsprint manufacturer, reports a 32 per cent. fall in pre-tax earnings for 1977, its third successive annual decline. The provisional figures show earnings of Kr.40.2m. ($8.7m.) before extraordinary items, after a 15 per cent. growth in turnover to Kr.1.43bn. ($310m.).

Close to two-thirds of Holmen's sales are made abroad, a large part going to the U.K., but the company has also been seeking to penetrate the U.S. market. Paper production rose by 7 per cent. to 638,000 tonnes last year.

A new mill at Braviken with an annual capacity of 170,000 tonnes of newsprint came into production in September and delivered 30,000 tonnes during the last quarter. The investment in this plant has burdened Holmen's finances over the past three years.

Capital investments last year, however, declined by Kr.83m. to Kr.404m. Depreciation rose by over 20 per cent. to Kr.74.5m., and net financial charges rose by over 130 per cent. to Kr.46.6m.

Net extraordinary costs of Kr.26.8m. included unrealised currency losses on long-term foreign borrowings of Kr.13.1m. and Kr.14.8m. for training and start-up at Braviken. The company received no state stock support in 1977 and stock appreciation, a relatively modest Kr.5.7m., is shown separately under extraordinary items.

After transferring Kr.13.9m. from the inventory reserve, Holmen reports a provisional net after tax of Kr.20.4m. ($4.4m.) compared with Kr.22.2m. in 1976. The Board recommends an unchanged dividend of Kr.7 a share.

Halved profits from Euroc

BY WILLIAM DULLFORCE

STOCKHOLM, March 10.

EUROC, the Swedish building materials and industrial group, succeeded in halting its earnings slide in the last four months of 1977. The provisional figures show a 1977 pre-tax profit of Kr.32.6m. ($7.1m.), little more than half the 1976 result, but at the eight-month stage Euroc was only just breaking even.

Sales rose by 11 per cent. to Kr.2.5bn. ($543m.), but the increase was due entirely to inflation and hides a reduction in the volume of deliveries. The share of foreign sales grew by 3 per cent. to 39 per cent. of the total.

After including stock gains of Kr.31m. and an extraordinary income of Kr.5.1m., Euroc shows a pre-tax figure of Kr.68.7m. compared with K.114.5m. in 1976. By transferring Kr.8.4m. from the reserves and reducing the depreciation according to plan by Kr.6.1m., the company arrives at a provisional 1977 net of Kr.50.8m. ($11m.) against Kr.57.5m. The Board recommends a dividend of Kr.6 a share, an increase of Kr.0.40 after adjusting for last year's bonus issue.

The slump in earnings was stemmed by rationalisation and other cost-savings measures. Excluding the stock appreciation, the last four months of the year contributed 44 per cent. of the 1977 operating profit.

The management forecasts an improved operating income this year, even through the market for most of its building products is not expected to be firmer. Its hopes rest on the introduction of new products by its industrial units and stronger marketing efforts.

The 1978 earnings will, however, be held back by the investment costs involved in modernising the group's cement mills. This operation cannot boost profits from cement production until the latter part of 1979.

Banco di Roma changes

BY PAUL BETTS

ROME, March 10.

A MAJOR reshuffle at top management level is expected to take place shortly in the Banco di Roma, one of Italy's major State controlled commercial banks.

This follows the resignation of Sig. Mario Barone, one of the two managing directors of the bank. In the last few months, Sig. Barone was arrested and subsequently released on two different occasions in connection with Milan judicial investigations in the affairs of the financier, Sig. Michele Sindona.

Milan magistrates had charged Sig. Barone of allegedly concealing information regarding a list of some 500 former clients of Sig. Sindona's Banca Privata Italiana which after the Sindona collapse was taken over by the Banco di Roma. This charge has now been dropped.

The reported list is said to include the names of leading Italian political and industrial figures whose lira deposits in the former Sindona bank are said to have been transferred to Switzerland and later "relaundered" back to Italy.

Kone sales increase

KONE OY reports that fiscal 1977 was a year that came up to expectations, writes Lance Keyworth from Helsinki. Market shares were held and turnover increased by 16 per cent. to FMks.1.3bn. ($3.1m.). Direct and indirect exports accounted for 77 per cent. of total invoicing.

The lift division accounted for two-thirds, and the crane and transport division for one-third of total earnings. The order stock is slightly higher than it was a year ago. But a large proportion of the new orders are now coming from outside Europe, especially from the Middle East and Africa.

Kone, a fast expanding multinational company, has decided to raise its share capital from the present FMks.61.9m. to FMks.140.7m. Shareholders can subscribe on a four-to-one basis

NORTH AMERICAN NEWS

Pan Am chief to leave

NEW YORK, March 10.

MR. F. C. WISER, president of Pan American World Airways, is leaving the company, apparently as a result of a top level clash.

Mr. William Seawell, chairman and chief executive officer, said in a statement to employees that he will recommend at the May 9 stockholders' meeting that Mr. Dan Colussy be proposed as president. Mr. Colussy is at present executive vice-president for marketing and services.

In addition to stepping down as president at the May 9 stockholders meeting, Mr. Wiser will leave Pan Am's Board.

Shortly after Mr. Wiser was named president of Pan Am in January, 1976, rumours spread in New York airline circles that problems had cropped up. Some Pan Am executives were upset that Mr. Wiser had been brought in from outside, one airline executive says.

However, exactly what triggered his departure at this time could not be learned.

This marks the second time in recent years that the executive has left a major airline. In 1975, Mr. Wiser was forced to leave the Trans World Airlines presidency. At that time, TWA was losing so much money that it was treading on the edge of bankruptcy. A group of outside directors blamed Mr. Wiser and forced him to resign.

By contrast, Pan Am's fortunes have improved a bit recently. Last year, the company turned in a profit, the first unaided by extraordinary credits since 1968.
AP-DJ

Intermarket trading plan

By Our Own Correspondent

NEW YORK, March 10.

FIVE OF the U.S. leading stock exchanges, with New York in the vanguard, have filed a detailed plan for an intermarket trading system with the Securities and Exchange Commission.

The exchanges are seeking SEC approval for the scheme which they hope will be accepted as a basis for meeting some of the Commission's requirements for the creation of a national market system which were published at the end of January.

Sponsoring the plan with New York are the American, Boston, Pacific and Philadelphia exchanges. They propose to introduce on a pilot basis in April facilities which will enable a broker representing a public customer or a market maker trading for his own account to seek the best price for a stock by reaching electronically from one exchange or market centre into another.

These links will be established by a central computer facility and a entwork if interconnected with terminals in the market centres.

Technicare sees loss

Technicare Corporation said results for the third quarter ending March 31 may result in a loss for the period, although management is hopeful that performance will be at or close to breakeven, reports AP-DJ from Ohio.

Doubts on discount fares

NEW YORK, March 10.

THE FLOOD of "super" discount airline fares and the steady stream of competitive route awards being made by regulators, may raise questions as to how the airline industry will cope with regulatory change, comments an AP-DJ specialist.

The aim of current proposals in Congress is to relax airline regulation to the point where some form of free entry and free exit to traffic markets is allowed. If that happens, will not airlines plunge into each other's monopoly markets with a chilling effect on profitability all round?

Mr. Julius Maldutis Jr., analyst at Salomon Brothers, rejects such fears. He believes that the airlines have been embarked on a process of concentration, or "self-monopolisation," of markets for most of this decade and that this process may be slowed but hardly stopped by the current competitive drive for new routes.

"One could make the case that the industry, overall would have been in a better position if outright entry and exit were established a year ago than confronted with a piecemeal and often discriminatory route award structure," he says.

Mr. Maldutis believes that the industry was well on its way to evolving a new competitive structure before the Civil Aeronautics Board (CAB), under its new chairman, Mr. Alfred Kahn, opened the doors to price and route competition. The salient features of this new structure are greater concentration of resources by individual airlines in the travel market monopolised by each.

Corco files petition on agreements

NEW YORK, March 10.

COMMONWEALTH OIL REFINING CO. (CORCO) said it filed a petition in the Federal Bankruptcy Court in San Antonio to terminate certain joint-venture and raw materials supply agreements with PPG Industries Inc. and W. R. Grace.

The petitions were filed in connection with the company's proceedings under Chapter 11 of the Federal Bankruptcy Law. Commonwealth, one of the nation's largest oil companies and Puerto Rico's largest private business, filed for protection under Chapter 11 on March 2.

According to Commonwealth, "disadvantageous" long-term product supply contracts with Grace and PPG have been principal factors contributing to its financial difficulties. In the first six months of 1977, the company said it had a $1.9m. loss from its 50 per cent. share in the operation of Puerto Rico Olefins, its joint venture with PPG. Its 50 per cent. investment in Oxochem Enterprise, its W. R. Grace joint venture, resulted in a $6.1m. loss, Commonwealth said.
AP-DJ

Financial Gen. buyers named

BY JOHN WYLES

NEW YORK, March 10.

THE alleged head of the Saudi Arabian central intelligence agency and a member of the royal family of Abu Dhabi were among four Arabs named in a Federal Court to-day as the covert purchases of nearly 20 per cent of the stock of Financial General Bankshares.

Identity of the alleged buyers was revealed by the bank's lawyer in support of its civil suit alleging that Mr. Bert Lance, the former U.S. Budget Director, and others had violated Federal and State securities laws by conspiring to take control secretly of Washington-based Financial General.

Mr. Edward McEnamis, the bank's lawyer, claimed that the secret purchases were "orchestrated" by the Bank of Credit and Commerce International, which is based in London and whose president, Mr. Agha Hasan Abedi, has also been named in the suit.

Mr. McEnamis claimed that the real purchasers of the stock were Abu Saud al-Fulag of Kuwait, Sheikh Kamal Adham of Jeddah, Saudi Arabia, who, said the lawyer, was believed to head that country's CIA, Sheikh Sultan Bin Zaid an-Nahyan, Crown Prince of Abu Dhabi, and Abdullah Darwaish, financial adviser to the Abu Dhabi royal family who bought the stock on behalf of the Crown Prince's brother who is a minor.

Mr. McEnamis also claimed that Mr. Lance bought 13,000 Financial General shares in January for his wife, Labelle, for her account and in her name.

Massey hopeful for second half

BY ROBERT GIBBENS

MONTREAL, March 10.

MASSEY-FERGUSON reports a loss for the first quarter ended January 31 of $38.76m., compared with a profit of $3.11m. The loss per share works out at $2.25, against a profit of 3 cents. Sales were ahead from $535.4m. compared with $491.4m.

The company does not expect to operate profitably in the second quarter, but Albert Thornborough, president, told the annual meeting that adjustments now being made will greatly strengthen the company's balance sheet and should enable it to resume profitable operations during the second half of the year.

Mr. Thornborough said that the actions being implemented to get the company back to profits include finding new markets outside Argentina for the heavy inventory of tractors existing there, limiting capital spending this year to projects already under way (which would reduce outlays to less than $100m. against $140m. projected earlier), reducing manpower throughout the group (in the first quarter, total manpower was cut by more than 2,000; further significant cuts are coming. At the end of fiscal 1977, Massey employed over 67,000 people); and reducing inventories through factory shutdowns throughout the group. Total inventories at January 31 were $1.3bn.

By the end of the second quarter, the company should be in a position to inform shareholders as to the results of a study on the disposal of the construction machinery business. Mr. Thornborough said a substantial write-down will be needed.

COMMODITIES/Review of the week

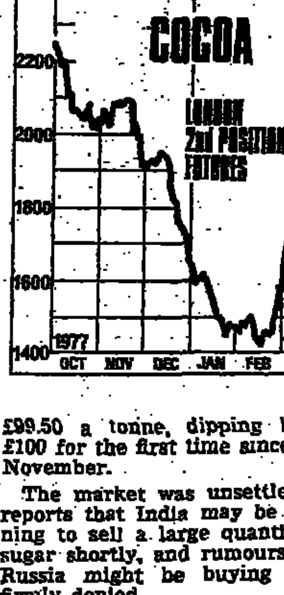
Strong rally in cocoa market

BY OUR COMMODITIES STAFF.

COCOA VALUES rallied strongly in the London futures market this week rising to the highest level this year. The May position closed last night at £1,832.5 a tonne, £176 up on the week.

The rise was attributed to reaction against the previous steep fall, which it is felt might have been overdone. Estimates of the Ghana main crop are being lowered with the season ending soon, and producers are reported to be holding off the market at present levels.

Rumours of increased buying by U.S. and Continental manufacturers helped give a firm undertone but the main buying interest in futures is reported to be coming from speculative, and chartist, sources.



In contrast coffee prices continued to be under pressure, easing to new 18-month lows. The market was not impressed by reports from a San Salvador meeting that "other mild" coffee producers would consider moves to hold off supplies at present price levels, in view of Brazil's recent attemots tto boost sales and cheap offerings of robusta coffee.

It is anticipated that the liquidation of March contracts in the New York market will uncover more than sufficient supplies to cover the open sales position.

Sugar, too, was depressed. The London daily price for raw sugar dropped by £6.50 on the week to £99.50 a tonne, dipping below £100 for the first time since mid November.

The market was unsettled by reports that India may be planning to sell a large quantity of sugar shortly, and rumours that Russia might be buying were firmly denied.

Some cheap-prices sales on the world market confirmed the downward trend forcing the nearby positions in the futures market to life-of-contract lows.

On the London Metal Exchange copper led a general upward trend, except for tin. Copper was boosted by the "invasion" of Zambia by Rhodesian security forces and reports of severe transport problems affecting copper exports.

A further boost to prices was provided by proposals to a U.S. Congress sub-committee that the stockpile should buy 225,000 short tons of copper using funds from the sale of 45,000 long tons of tin.

The Carter Administration has now apparently decided to support this idea of a revolving stockpile fund to acquire materials in deficit and sell those deemed to be in surplus.

Yesterday a weakening in the value of sterling helped offset profit-taking after the earlier rise and cash wirebars closed £23 up at £653 a tonne, moving higher on the late kerb. The uptrend was helped by predictions of a further steep fall in warehouse stocks which last week fell to the lowest level since August last year.

Tin prices were upset by the stockpile release moves, and a fall in the Penang market. Standard grade cash tin lost £150 to £6,065 a tonne.

Silver and platinum values rose sharply at the beginning of the week, following the rise in gold. However, profit-taking sales were triggered off by the moves to strengthen the dollar and prices came back again. Spot silver was fixed on the bullion market yesterday at 273.7p an ounce, 15.65p up on the week.

WEEKLY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

SUGAR

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

INDICES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

[illegible]

U.S. Markets

Speculative pressure on sugar

NEW YORK, March 10.

SILVER CLOSED higher on Chicago short-covering attracting local short-covering. Gold was firm as a leading Commission House bought on the close. Cocoa closed limit-up on Commission House short-covering, and coffee finished slightly higher for the same reason. Sugar remained under pressure on continued speculative and chart selling, reports Bache.

Cocoa—March 161.79 (157.15), May 154.65 (145.65), July 150.05, Sept. 147.75, Dec. 142.40, March 139.45, May 137.45, July 135.70. Sales: 1,404.

Coffee—"C" Contract: March 178.00 (175.00), May 156.75-157.00 (154.97), July 142.50-143.00, Sept. 133.00, Dec. 129.50-125.00, March 122.50-123.00, May 119.00-121.00, July 119.00-121.00. Sales: 745.

Copper—March 58.50 (58.30), April 58.60 (58.90), May 59.10, July 60.10, Sept. 61.10, Dec. 62.60, Jan. 63.10, March 64.10, May 65.10, July 66.10, Sept. 67.10, Dec. 68.60, Jan 69.10. Sales: 4,000.

Cotton—No. 2: May 57.75 (57.65), July 58.90 (58.75), Oct. 60.00-60.10, Dec. 60.59, March 61.10-61.15, May 61.63-62.00, July 62.15-62.50. Sales: 305,000 bales.

[illegible]

This week's SE dealings

Friday, March 10	5,401	Wednesday, March 8	4,546	Monday, March 6	4,177
Thursday, March 9	4,741	Tuesday, March 7	4,529	Friday, March 3	4,374

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♦ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (751)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (27)

COMMONWEALTH GOVTS. (8)

FOREIGN STOCKS (14)

STERLING FOREIGN CURRENCY BONDS

CORPORATION STOCKS—FOREIGN (1)

U.K. RAILWAYS (2)

FOREIGN RAILWAYS

BANKS (161)

CORPORATIONS (41)

BREWERIES (184)

CANALS & DOCKS (8)

COMMERCIAL (2,919)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

APPOINTMENTS

Devas to take over from Baring as Charter Trust chairman

Mr. Hugo Baring has retired from the chairmanship of CHARTER TRUST AND AGENCY and will be succeeded by Mr. Michael Devas. Mr. Baring will remain on the Board. Mr. Devas, who is a director of Kleinwort Benson, resigned the chairmanship of Charter Trust and Agency on assuming the position of Directeur Général of Kleinwort, Benson (Geneva) SA in 1975. Mr. D. A. C. Lawrence, an investment manager of Kleinwort Benson, has been appointed a director of Charter Trust and Agency and Mr. E. W. Grazebrook has retired from the Board.

★

Sir Andrew Stark, chairman of Maersk Company, has been appointed to the Board of SCANDINAVIAN BANK. Sir Andrew was Under-Secretary-General, United Nations, New York (1968-1971), British Ambassador to Denmark (1971-1976), and Deputy Under-Secretary of State, Foreign and Commonwealth Office (1976-1977). He is also an adviser on European affairs to the Society of Motor Manufacturers and Traders.

★

Mr. Roy Cowan and Mr. Roy Power have been appointed to the Board of OFREX with responsibility for the total supplies sales turnover of the company in the north, including Scotland and Northern Ireland, and the south of England, respectively.

★

Mr. C. G. Hutchins, of Courtaulds, has been appointed to the Board of CHARLES EARLY AND MARRIOTT (WITNEY). He will be non-executive and joins Dr. N. S. Wooding as the second representative of Courtaulds on the Board of Early.

★

Mr. Gordon Wharton, who has been appointed marketing director of KIVETON PARK STEEL AND WIRE WORKS, was previously field sales manager.

★

Mr. D. A. Schofield, M.A., now academic registrar in the UNIVERSITY of Southampton has been appointed secretary and registrar in succession to Mr. R. M. Urquhart, who is retiring at the end of this session.

★

Mr. T. C. Harvey is retiring from MULLENS AND CO., stockbrokers, on April 7 and Mr. J. D. Battye will be taken into the partnership on the following day.

★

Mr. Michael Maule, marketing director, Alliance Wholesale Grocers, has been appointed managing director, ANGLIA FROZEN FOODS. Both companies are memberse of the Food Securities Group.

★

Mr. John Gwynn, group managing director of Dun and Bradstreet, has been appointed a vice-president of DUN AND BRADSTREET INTERNATIONAL. He is the first non-U.S. citizen to become a vice-president of the American-owned group. Mr. Michael Bardsley is now managing director of Dun and Bradstreet.

★

Mr. J. Martin Luce, a director of John Gladstone and Co., has been elected president of the NATIONAL ASSOCIATION OF SCOTTISH WOOLLEN MANUFACTURERS. He succeeds Mr. John Boyd.

★

Lt.Col. James Myatt has been appointed chief executive designate of the ROYAL BATH AND WEST SHOW SOCIETY. He joins the Society on January 1, 1979 and will succeed Lord Darling, who retires on June 2, 1979.

★

Mr. Alan Marmion has been appointed director of the MacRobert Arts Centre at the UNIVERSITY OF STIRLING in succession to Mr. Jolyon Dodgson. At present general administrator of Chester Arts Centre, Mr. Marmion takes up his new position on May 1.

★

Sir Brian Young, director general of the Independent Broadcasting Authority, has been appointed a managing trustee of the NUFFIELD FOUNDATION in succession to Mr. W. R. Gowers. Sir Brian was director of the foundation from 1964 to 1970 when he joined the Authority.

★

Mr. D. J. McDermott has been appointed financial director of BURMAH INDUSTRIAL PRODUCTS succeeding Mr. D. A. L. Hickson, who has become chief executive.

★

Mr. C. S. Bailey West and Mr. T. Calver are to become directors of ALEXANDER HOWDEN INSURANCE BROKERS from April 1.

★

Mr. R. N. Harrison has been appointed chief manager, COMMONWEALTH BANKING CORPORATION, London office. Mr. Harrison, formerly the bank's chief manager for Western Australia, succeeds Mr. D. I. McPherson who is returning to Australia as assistant general manager, Commonwealth Trading Bank of Australia, head office, Sydney.

★

Mr. T. R. Barron has been appointed a part-time member of the BRITISH RAILWAYS BOARD for three years. He retires from BR's director of planning and investment at the end of March. Mr. Derek Fowler, Board member for finance, is taking on wider duties as member for finance and planning.

★

Mr. Donald Matheson has been appointed head of the finance division of the HIGHLANDS AND ISLANDS DEVELOPMENT BOARD.

★

Mr. Ian Gillis, deputy director of information at the Department of Health and Social Security, is to be the new head of information division at the DEPARTMENT OF ENERGY. He takes over from Mr. Bernard Ingham, who has been promoted to under-secretary in charge of the Department of Energy's recently created Energy Conservation Division.

★

Mr. A. W. Riley has been appointed to the Board of HUMPHREYS AND GLASGOW. He joined the company in 1957.

★

Mr. Malcolm Davies has been appointed director of quality for the CAM GEARS GROUP. Mr. Jack T. Tiley has become general manager at the Luton division.

★

Mr. B. H. Hood and Mr. T. J. Pelham have been appointed directors of NORMAN FRIZZELL U.K.

★

Mr. David E. Stansfield, deputy chairman of the Edwin Butterworth Group, has been elected president of the BRITISH WASTE PAPER ASSOCIATION. He is the youngest person to hold that office since the Association was formed in 1921.

★

Mr. Cedric Brown, director of engineering with East Midlands Gas since 1975, has been appointed assistant director of operations at BRITISH GAS headquarters from the beginning of April. Mr. Gerald Clerehugh has become director of the British Gas on-line inspection unit at Newcastle-upon-Tyne.

★

Mr. Gerald Hawksworth has been appointed a director and deputy chief executive of AIRGUARD, a member of the Lawtex Group.

★

Dr. Christopher J. Liddle has *taken up a post with* WHITE YOUNG AND PARTNERS as U.K. project director for a PVC chemical complex being constructed in Libya. He will be based at Stevenage.

★

Mr. Graham Povoas has been appointed group finance director of the HARRIS CARPETS and QUEENSWAY DISCOUNT WAREHOUSES.

★

Mr. *David I. Holmes* has been appointed treasurer to ABERDEEN HARBOUR BOARD from the end of April. He succeeds Mr. James Will, who becomes secretary and deputy general manager to the Board on that date.

★

Mr. Basil G. Rigg has been appointed to the newly-created post of director of external affairs of the INSTITUTE OF MARKETING at Cookham. Until recently he was group managing director of Dexion-Comino International.

هكذا من الأصل

[illegible]

ELECTRIC LIGHT (1)

[illegible]

FINANCIAL TRUSTS (101)

[illegible]

GAS (6)

[illegible]

INSURANCE (177)

[illegible]

INVESTMENT TRUSTS (244)

[illegible]

Altifund Cap Shs. (50p) 131 (7/3)
Ambrose Inv. Trst. Inc. (25p) 58 (8/3). Cap. (25p) 52 3
American Trst. (25p) 37¼ 6½ 8. B (25p) 36½. 5pcPf. 43 (7/3)
Anglo Amcn. Secs (25p) 84 4 5½ 5. 4½pcPf. 38½ (7/3)
Anglo-Intnl. Inv. Trst. Asset (25p) 103 (8/3)
Anglo-Scot. Inv. Trst. (25p) 36½
Archimedes Inc. Trst. Inc. (25p) 70 (9/3). Cap. (50p) 31 (9/3)
Ashdown Inv. Tst. (25p) 107½. 4½pcCnv. Uns.Ln. 73 (9/3)

[illegible]

River and Mercantile Tst. (25p) 149
River Plate Gen. Inv. Tst. Dfd. (25p) 122
Robeco (Br.) (Fls.50) $US74. Sub-Shs. (Reg. in Nat. Prov. Bk.) (Fls.5) 528
Rolinco NV Br. (Fls.50) 36¾ (8/3). Ord. Sub.-Shs. (Reg. in name of Nat. Prov. Bk.) (Fls.5) 366 (7/3)
Romney Tst. (25p) 75. 4¾pcUnscd.Ln. 72 (8/3)
Rosedimond Inv. Tst. Inc.Shs. (25p) 57½ (9/3)
Rothschild Inv Tst. (50p) 158 61. 3.5pc Pf. (50p) 28 ½ (9/3). 6½pcUnscd.Ln. 95½ (9/3)
St. Andrew Tst. (25p) 102 (9/3)
Save and Prosper Linked Inv. Tst. CapShs. (10p) 4 9½ (7/3)
Scottish American Inv. (50p) 76½ 5 ½
Scottish Continental Inv. (25p) 62 (8/3)
Scottish Mercantile Inv. (25p) 105. A (25p) 99 8½
Scottish Cities Inv. Tst. A (25p) 156 (6/3). A (25p) 158 (6/3)
Scottish Eastern Inv. Tst. (25p) 115. 5½pcDb. 76. 4pcDb. 31½
Scottish European Inv. (25p) 34 (9/3)
Scottish Invst. Tst. (25p) 88. 7
Scottish Mort. Tst. (25p) 94 6 ½ 7 5½ 6 (9/3). 5¼pcPf. 44
Scottish National Tst. (25p) 122
Scottish Northern Invst. Tst. (25p) 87 6½
Scottish Ontario (25p) 115½
Scottish Utd. Investors (25p) 77 8
Scottish Western Invst. (25p) 75½ 8½ 6 8. B (25p) 69 (6/3). 4½pcPf. 38½ (7/3)
Second Alliance Tst. (25p) 162. 3½pc Db. 68
Second Gt. Northern (25p) 66½
Securities Tst. Scotland (25p) 158. 4½pc Pf. 39½
Shires Invst. (50p) 120 18 (9/3)
Sphere (25p) 93 (9/3)
Sterling Tst. (25p) 144½. 5pcn. 72 (8/3)
Stockholders Invst. Tst. (25p) 77½
Technology Invst. Tst. (25p) 82½ (9/3)
Temple Bar (25p) 166. 7pcPf. 57
Throgmorton Secured Growth Tst. Cap.Ln. 90 (9/3)
Throgmorton Trust (25p) 65½ 5. 8½pc Ln. 106 (7/3)

UNIT TRUSTS (16)

[illegible]

IRON, COAL & STEEL (14)

[illegible]

MINES

Australian (8)

[illegible]

Miscellaneous (91)

[illegible]

Rhodesian (1)

[illegible]

South African (74)

[illegible]

West African (2)

[illegible]

Diamond (27)

[illegible]

OIL (325)

[illegible]

PROPERTY (141)

[illegible]

RUBBER (14)

[illegible]

TEA AND COFFEE

[illegible]

TRAMWAYS & OMNIBUS

[illegible]

SHIPPING (54)

[illegible]

WATERWORKS (9)

[illegible]

SPECIAL LIST

March 10

MARCH 9 (Nil)

MARCH 8 (Nil)

MARCH 7 (1)

Bradlow's Stores 6pcCum.Pf. 30

MARCH 6 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

MARCH 10

[illegible]

Nelson (A. C.) Class B £1.6½
New Metal Mines 20
Oakbridge Secs. 142
Pancontinental 800
Peko Wallsend 440
Petrofina $US119 £85
Pioneer Concrete 108
Sears Roebuck $US24¼
Straits Trading 168
Tasman Pulp Paper 82
Thomas Nationwide Transport 85
Tri Continental $US17 £13½
Westfield Minerals 55
Wheelock Marden A 33½

MARCH 9

[illegible]

MARCH 8

[illegible]

MARCH 7

[illegible]

Murray Roberts 140
Pahang Cons. 47
Peko Wallsend 440 32
Rosenthal Jewellery 25
Woolworth Hldgs. Ord. 177

MARCH 6

Acmex Holdings 7
Afrikander Leases 380
Amalgamated Bonanza Petroleum £25½
Assoc. Manganese £16

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

MARCH 10

[illegible]

MARCH 9

[illegible]

MARCH 8

[illegible]

MARCH 7

[illegible]

Channel Hotels and Props. 20
Commercial Bank of Wales 56
Dundee-Angus Ice Rink 165
Exchange Holdings 23 19
Manx and Overseas Inv. Tst. A 10
Marton (G.) 5pcCum.Pf. 30
North Sea Assets 860
Orient FC 35
NMW Computers 102 100
Paisley Ice Rink 50 45
Queen's Street Warehouses 2½

MARCH 6

[illegible]

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MARCH 10

[illegible]

MARCH 9

[illegible]

MARCH 8

[illegible]

MARCH 7

CCP North Sea Associates £8 £8
Cluff Oil 367
Siebens Oil and Gas (U.K.) 230 226 225½ 224½ 224

MARCH 6

Cluff Oil 375
Siebens Oil and Gas (U.K.) 224 230

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	9½	½-year	250	4-7
Kirklees (0484 22133)	10	½-year	500	4-6
Poole (02013 5151)	9½	½-year	500	4
Poole (02013 5151)	9¾	½-year	500	5-7
Reading (0734 592337)	10	½-year	1,000	5-7
Redbridge (01478 3020)	10	½-year	200	5-7
Southend (0702 49451)	9½	½-year	250	3
Thurrock (0375 5122)	10	½-year	300	4
Thurrock (0375 5122)	10¼	½-year	300	5-7
Wrekin (0952 505051)	8	½-year	500	2
Wrekin (0952 505051)	10	yearly	1,000	4

BUILDING SOCIETY RATES

	Deposit Rates	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Alliance	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Anglia	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Birmingham	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.40% 2 yrs., 5.75% 1 yr.
Bradford and Bingley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £500
Bristol and West	5.25%	5.50%	6.75%	—
Bristol Economic	5.75%	6.00%	7.25%	6.25% 3 months' notice
Britannia	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Burnley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Cardiff	5.75%	6.30%	7.30%	—
Catholic	5.50%	●6.20%	7.25%	— ● 6.45% over £5,000
Chelsea	5.25%	5.50%	6.75%	6.25% 6 months' notice, minimum £500
Cheltenham and Gloucester	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. (£500-£15,000)
Citizens Regency	5.25%	5.80%	7.30%	7.05% 3 yrs. over £5,000
City of London	5.50%	5.80%	6.75%	6.72% 3 yrs., min. £500
Coventry Economic	5.25%	5.50%	6.75%	6.50% 3 yrs.
Coventry Provident	5.25%	5.50%	7.50%	6.75% 3 yrs.
Derbyshire	5.25%	5.50%	6.75%	— Up to 6% 3 months' notice
Gateway	5.25%	5.50%	6.75%	6.50% 3yrs., 6.00% 2yrs., min.£500-£15,000
Greenwich	5.75%	6.10%	7.50%	7.10% 2 yrs., fixed 1% over Share Accts.
Guardian	5.75%	6.25%	6.50%	6.95% 3 mths.' notice, minimum £1,000
Halifax	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Hastings and Thanet	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 1½ yrs., £250-£15,000
Heart of England	5.25%	5.50%	6.75%	6.50% 3 yrs., 6% 3 months' notice
Hearts of Oak & Enfield	5.25%	5.75%	7.25%	6.75% 3 yrs., 6.50% 2 yrs., 6.25% 1 yr.
Hendon	6.00%	6.50%	—	7.00% 6 months' notice, minimum £2,000
Huddersfield & Bradford	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., £100-£15,000
Leamington Spa	5.35%	5.60%	7.36%	6.35% 2 yrs.
Leeds Permanent	5.25%	5.50%	6.75%	—
Leicester	5.25%	5.50%	6.75%	6.50% 3yrs., 6.00% 2yrs., min.£100-£15,000
Liverpool	5.75%	6.00%	7.45%	7.10% 3 yrs., 6.60% 2 yrs., min. £1,000
London Goldhawk	5.75%	6.25%	7.50%	7.25% 3 yrs., 6.75% 1 yr.
Melton Mowbray	5.35%	5.80%	6.75%	6.35% 2 yrs., min. £2,000
Midshires	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. min. £250
Mornington	5.70%	6.70%	—	—
National Counties	5.50%	5.80%	6.80%	6.25% 6 months
Nationwide	5.25%	5.50%	6.75%	6.50% 3-4 yrs., min. £500, 6.00% 2 yrs.
Newcastle Permanent	5.00%	5.50%	6.30%	6.80% 3 yrs., 6.50% 2 yrs.
New Cross	6.50%	6.75%	—	—
Northern Rock	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £100
Norwich	5.25%	5.50%	7.00%	6.25% 2 yrs., minimum £500
Paisley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs. min. £500
Peckham Mutual	5.50%	6.00%	—	—
Portman	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., 5.75% 3 mths.
Progressive	5.40%	5.65%	6.75%	6.65% 3yrs., 6.40% 2yrs., 6.15% 3mths.not.
Property Owners	■5.75%	6.50%	7.75%	6.90% 3 mths. not. ■ 5.00% to limitd. cos.
Provincial	5.25%	5.50%	6.75%	6.50% 3-4 yrs., 6.00% 2 yrs.
Skipton	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs.
Sussex Mutual	5.55%	5.80%	7.05%	6.10% 3 months' notice, minimum £500
Town and Country	5.25%	5.50%	♣10.00%	6.50% 3 yrs., 6.00% 2 yrs. ♣ Max. £250.
Woolwich	5.25%	5.50%	6.75%	6.00% 2 yrs., 6.50% 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

MONEY + EXCHANGES

Bill rate declines

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

The Treasury bill rate fell by 0.0701 per cent. to 5.9139 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was unchanged at 6½ per cent. The minimum accepted bid was £98.52, compared with £98.50½ previously, and bids at that level were met as to about 43 per cent. The £300m. bills offered and allotted attracted bids of £864.49m., compared with £581.05m. for £400m. bills last week. All bills offered were allotted. Next week a further £300m. will be on offer replacing maturities of £450m.

Day-to-day credit was in short supply in the London money market; and the authorities gave assistance by buying a small amount of Treasury bills and local authority bills from the discount houses. This was not enough to take out the full shortage however and banks are expected to carry forward run-down balances.

Discount houses paid 6-6½ per cent. for secured call loans at the close, and overnight money rose to 8 per cent. in the interbank market in the afternoon, before closing at 6-7 per cent.

Banks brought forward run-down balances, there was a fairly large net-take-up of Treasury bills, settlement was made of gilt-edged stock bought from the authorities, and the market was also faced with a sizeable rise in the note circulation. On the other hand there was a fairly large excess of Government disbursements over revenue payments to the Exchequer.

Mar. 10 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills φ	Eligible Bank Bills φ	Fine Trade Bills φ
Overnight	—	6-8	—	—	—	6⅝	5½-6½	—	—	—
2 days notice	—	—	6-6⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	6¼-6⅝	6-6⅛	—	6¼-6½	6½	5⅞-6⅝	—	—	—
One month	6[illegible]-6[illegible]	6¼-6⅝	6⅛-6⅜	6½-6¼	6⅝-6[illegible]	6⅝	5⅞-6	5[illegible]-5[illegible]	6[illegible]	7[illegible]
Two months	6½-6[illegible]	6[illegible]-6[illegible]	—	6½-6¼	6⅝-7	—	6	5[illegible] 5[illegible]	6¼-6[illegible]	7[illegible]
Three months	6[illegible]-6[illegible]	6⅝-6¾	6⅝-6⅝	6[illegible]-6⅝	6¾-7¼	7	6¼	5[illegible]	6[illegible]-6⅝	7[illegible]
Six months	7[illegible]-7[illegible]	7[illegible]-7⅝	7-7¼	7-6⅝	7⅝-7¾	—	—	—	6[illegible]	7[illegible]
Nine months	7[illegible]-7[illegible]	7⅝-7[illegible]	—	7⅝-7⅝	8	—	—	—	—	—
One year	7¾-7⅝	7[illegible]-8	7¾-8	7[illegible]-7⅝	8¼	—	—	—	—	—
Two years	—	—	8¾-9	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rate nominally three years 9¾-10¼ per cent.; four years 10½-10¾ per cent.; five years 10¾-11 per cent. φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 6⁷⁄₁₆-6⅝ per cent.; four-month trade bills 7½ per cent.

Approximate selling rates for one-month Treasury bills 5²⁵⁄₃₂-5²⁷⁄₃₂ per cent.; two-month 5¹³⁄₁₆-5⅞ per cent. and three-month 5⅞-5²⁹⁄₃₂ per cent. Approximate selling rate for one-month bank bills 6¹⁄₁₆ per cent. two-month 6⅛-6³⁄₁₆ per cent.; and three-month 6⁵⁄₁₆-6⁵⁄₁₆ per cent. One-month trade bills 6¾ per cent. two-month 6⅞ per cent. and also three-month 6¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from March 1, 1978. **Clearing Bank Deposit Rates** (for small sums at seven days' notice): 3 per cent. **Clearing Bank Base Rates** for lending 6½ per cent. **Treasury Bills**: Average tender rates of discount 5.9139 per cent.

EXCHANGES AND BULLION

The U.S. dollar rose sharply in the foreign exchange market yesterday; helped by expectations of concrete results from talks between the U.S. and Germany about the dollar this week-end, but lost some ground in late business.

Trading was very thin in the afternoon, however. The dollar finished at Sw.Frs.1.9500 against the Swiss franc, after touching a best level of Sw.Frs.2.0025, compared with Sw.Frs.1.9600 on Thursday. The U.S. unit gained ground against the D-mark, closing at DM2.0575, compared with DM 2.0302½ previously. It touched a best level of DM2.0670, and rose to Y236.10 in terms of the Japanese yen, before closing at Y235.95, compared with Y235 previously.

The dollar's trade-weighted depreciation since the Washington Currency Agreement of December 1971, as calculated by Morgan Guaranty of New York, narrowed to 4.76 per cent. from 5.18 per cent.

The Bank of England's calculation of the dollar's index rose to 90.8 from 90.4.

Sterling's trade-weighted index, on Bank of England figures, fell to 64.8 from 65.1, after standing at 65.0 at noon and 65.1 in the morning.

The pound fell quite sharply in late trading, and the Bank of England may have intervened to give support in a very thin market. Sterling touched a low point of $1.8995-1.9005, and closed at $1.9020-1.9030, a fall of 2.45 cents on the day.

Gold fell $2½ to $185¾-186½ in nervous trading.

GOLD MARKET

	Mar. 10	Mar. 9
Gold Bullion (a fine ounce)		
Close	$185¾-186½	$188¼-189
Opening	$187-187¾	$188-188¾
Morning fix'g	$186.90 (£97.518)	$187.95 (£97.414)
Aftern'n fix'g	$185.90 (£97.177)	$188.30 (£97.717)
Gold Coins domestically		
Krugerrand	$190¼-192¼ (£100-101)	$192½-194½ (£100-101)
New Sov'gns.	$57-59 (£30-31)	$57½-59½ (£30-31)
Old Sov'rgns	$58¼-60¼ (£30½-31½)	$59¼-61¼ (£30¾-31¾)
Gold Coins internat'ly		
Krugerrand	$191-193 (£100½-101½)	$193½-195½ (£100½-101½)
N'w Sov'gns	$57-59 (£30-31)	$57½-59½ (£30-31)
Old Sov'gns	$58¼-60¼ (£30½-31½)	$59¼-61¼ (£30¾-31¾)
$20 Eagles	$297-300	$297-300

CURRENCY RATES

	Special Drawing Rights March 10	European Unit of Account Mar. 9
Sterling	0.637458	0.647780
U.S. dollar	1.22054	1.24968
Canadian	1.37030	1.40489
Austria sch	18.0579	18.2765
Belgian franc	39.1397	39.4773
Danish krone	6.88995	6.98948
Deutsche m'k	2.57248	2.5463
Dutch guilder	2.69007	2.71016
French franc	5.98675	6.04732
Italian lira	—	1067.71
Japanese yen	286.461	292.425
Norway krone	6.53233	6.64881
Spain peseta	97.9520	100.264
Swedish krone	5.66147	5.76311
Swiss franc	2.40507	2.41156

EXCHANGE CROSS-RATES

Mar. 10	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.0450-60	41.97-42.12	6.425-35	3.932-42	95.57-77	104.8-105.3
New York*	48.60-70	—	20.42-53	3.1325-1450	1.8350-8390	45.50-70	61.20-60
Paris	237.9-238.4	4.899-911	—	15.285-319	9.343-363	222.6-223.1	248.8-249.1
Brussels	15.53-59	32.01-06	6.55-56	—	61.18-37	14.52-59	16.20-30
London	3.90¾-91¼	1.9020-30	9.26¾-27	60.35-61.00	—	4.17-18	3.70-72
Amst'dam	106.85-905	2.2075-525	45.00-050	6.868-874	4.211¾-65	—	112.175-225
Zurich	94.89-95.60	1.950-960	39.81-40.10	6.1148-1558	3.7278-7485	89.73-89.48	—

U.S. $ in Toronto U.S. $ = 112.25-28 Canadian cents.
Canadian $ in New York = 89.06-10 cents. U.S. $ in Milan 864.25-866.00
Sterling in Milan 1646.00-1647.00.

EURO-CURRENCY INTEREST RATES*

Mar. 10	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
†Short term	6-6½	6¾-7¼	6⅝-6⅞	5¾-6	[illegible]	3[illegible]-3[illegible]
7 days notice	6⅝-6½	6¾-7¼	6¾-7	5¾-6	[illegible]	3[illegible]-3[illegible]
Month	6¾-7⅛	7⅛-7½	7⅛-7⅜	5⅝-5⅞	½-⅝	3¼-3⅜
Three months	7¼-7½	7[illegible]-7[illegible]	7⅛-7⅜	5½-5¾	⅝-⅞	3¼-3⅜
Six months	7¾-8⅛	7⅞-8¼	7⅜-7⅝	5¼-5½	⅞-1	3[illegible]-3[illegible]
One year	8⅛-8½	8[illegible]-8[illegible]	7⅝-7⅞	5⅜-5⅝	1[illegible]-1[illegible]	3[illegible]-3[illegible]

Euro-French deposit rates: two-day 11-12 per cent.; seven-day 17-18 per cent.; one-month 16-16½ per cent.; three-month 14½-14½ per cent.; six-month 13½-13½ per cent.; one year 13½-13 per cent.

Long-term Eurodollar deposits: two years 8-8½ per cent.; three years 8¼-8½ per cent.; four years 8¼-8½ per cent.; five years 8⁵⁄₁₆-8⁷⁄₁₆ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6.95-7.05 per cent.; three-month 7.00-7.10 per cent.; six-month 7.35-7.45 per cent.; one-year 7.60-7.70 per cent.

* Rates are nominal calling rates.
† Short-term rates are call for sterling, U.S. dollars and Canadian dollars two days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

Mar. 10	Bank Rate %	Day's Spread	Close
New York	6½	1.8995-1.9220	1.9020-1.9030
Montreal	7½	2.1535-2.1570	2.1550-2.1560
Amsterdam	4½	4.16-4.22	4.17-4.18
Brussels‡	6½	60.80-61.40	60.55-61.00
Copenhagen	9	10.80-10.86	10.81-10.83
Frankfurt	3	3.90-3.95	3.90¾-3.91¼
Lisbon	15	77.70-79.20	77.90-78.40
Madrid	8	152.75-154.50	152.75-153.00
Milan	11½	1,637-1,646	1,639-1,640
Oslo	8	10.24-10.31	10.24-10.26
Paris	9½	9.26-9.39	9.26¾-9.27¼
Stockholm	8	8.84-8.92	8.84¼-8.85¼
Tokyo	4¼	445-458	448-451
Vienna	5½	28.10-28.45	28.10-28.25
Zurich	1	3.70-3.84	3.70-3.72

‡ Rates given are for convertible francs. Financial franc 60.90-61.10.

OTHER MARKETS

			Note Rates
Argentina	1522-1526	Argentina	1500-1400
Australia	1.6798-1.6865	Austria	27¾-28¼
Brazil	31.12-32.12	Belgium	60-61
Finland	7.97-7.99	Brazil	35-40
Greece	69.910-71.642	Canada	2.15-2.17
Hong Kong	8.78½-8.81	Denmark	10.75-10.95
Iran	132-138	France	9.30-9.45
Kuwait	0.531-0.541	Germany	3.85-4.00
Luxemb'g	60.85-61.00	Greece	66-74
Malaysia	4.4850-4.5000	Italy	1590-1690
N. Zealand	1.8647-1.8834	Japan	450-465
Saudi Arab	6.62-6.72	Netherl'nds	4.15-4.25
Singapore	4.4030-4.4180	Norway	10.20-10.40
S. Africa	1.6567-1.6825	Portugal	75-85
U.S.		Spain	150-156
Canada		Switzerl'nd	3.70-3.80
CSL		U.S.	1.90-1.92
U.S. cents	89.04-89.07	Yugoslavia	35½-37½

Rate given for Argentina is a free rate.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Cop'nhgn	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	70-180 c. dis	375-600 c. dis
Madrid	50-120 c. dis	190-170 c. dis
Milan	13-19 lire dis	29-36 lire dis
Oslo	5-7 ore dis	15-17 ore dis
Paris	6½-7¼ c. dis	15½-16½ c. dis
Stockho'lm	1¾-2¾ ore dis	4½-6½ ore dis
Vienna	par-10 gro dis	5-15 gro dis
Zurich	2⅝-1⅝ c. pm	6¾-5¾ c. pm

Six-month forward dollar 0.47-0.37c pm.
12-month 0.95-0.85c pm.

U.K. CONVERTIBLE STOCKS 10/3/78

Statistics provided by data STREAM International

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Alcan Alum. 9pc Cv. 89-94	9.05	143.00	100.0	76-80	6.4	4.3						
Ass. Paper 9½pc Cv. 85-90	1.40	93.00	200.0	76-79	10.4	10.7	0.0	−10 to 1	8.8	8.9	0.0	0.0
Bank Ireland 10pc Cv. 91-96	8.22	142.00	47.6	77-79	7.0	5.4	−9.6	−12 to −3	15.0	9.1	−3.7	+3.9
British Land 12pc Cv. 2002	7.71	134.00	333.3	80-97	9.3	9.0	18.2	10 to 26	0.0	95.4	84.2	+66.0
Eng. Prop. 6½pc Cv. 98-03	8.84	88.00	234.0	76-79	7.8	8.0	−2.0	−8 to 2	11.7	6.2	−6.2	−4.3
Eng. Prop. 12pc Cv. 00-05	15.31	95.00	150.0	76-84	13.2	13.3	68.9	40 to 75	31.9	52.9	37.3	−31.6
Grand. Met. 10pc Cv. 91-96	122.30	115.00	120.2	73-78	9.0	8.7	−0.3	−13 to 0	0.0	0.0	0.0	+0.3
Hanson Tr. 6½pc Cv. 88-93	4.51	81.00	37.1	76-80	8.3	9.2	9.9	−1 to 10	11.0	11.9	1.2	−8.7
Howden-Stuart 7pc Cv. 1995	0.07	220.00	470.4	75-79	3.2	0.1	−11.8	−17 to −5	14.8	6.5	−3.3	+8.4
Pentos 15pc Cv. 1985	1.06	124.00	166.7	76-82	12.4	10.9	3.3	3 to 8	48.1	47.9	−0.2	−3.5
Slough Ests. 10pc Cv. 87-90	5.50	155.00	125.0	78-77	6.5	3.3	8.8	5 to 13	38.0	36.0	12.7	+3.9
Tozer, Kemsley 8pc Cv. 1981	7.33	89.00	153.8	74-79	9.3	12.9	34.5	37 to 41	13.2	11.2	−1.5	−36.0
Wilk. Match 10pc Cv. 83-98	11.10	90.00	40.0	76-83	11.3	11.5	28.4	22 to 38	26.7	40.7	19.7	−6.7

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Golds flat on talk of further support for the dollar

Share index jumps 8.5 for best week's rise for 4 months

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 27	Mar. 9	Mar. 10	Mar. 21
Mar. 13	Mar. 30	Mar. 31	Apr. 11
Apr. 3	Apr. 13	Apr. 14	Apr. 25

" New time dealings may take place from 9.30 a.m. two business days earlier.

Stock markets had another firm day marred only by a sharp reaction in South African gold shares. These retreated on reports from Germany that concrete results to help the U.S. dollar may emanate from U.S.-German talks to be held this week-end.

British Funds held the firm tone evident all week on the better feeling about money supply and about the latest public sector and central Government borrowing requirements. Activity in the Funds was largely restricted to the shorter maturities, but the Government Securities index hardened 0.03 to 73.66 for a gain on the week of 1.2.

Leading equities made a particularly firm showing, a late boost in anticipation of buying for the account starting on Monday leaving prices at the day's best. The FT 30-share index traded at about 5 points up at the previous day following renewed investment buying in the early trade. Up 5.1 at 3 p.m., the index was finally 8.5 better at 459.0 for a rise on the week of 22.8—its best showing over the longer period since last November. The gain left the index with a net rise on an account for the first time this year.

Trading conditions were thin again, but the more confident tone was illustrated by rises in FT-quoted equities outnumbering falls by 4-to-1 for the third successive day.

Most sectors took part in the improvement, and the FT-Actuaries All-Share index put on 1.6 per cent. at 200.81 to end the week with a rise of 4.9 per cent. The reaction in gold shares was marked by a loss of 5.8 in the FT Gold Mines index at 157.8. This is still 24.6 up on its December 31 level.

Short gilts active

British Funds had another very firm day with sentiment again encouraged by the latest borrowing requirement figures and apparently unconcerned about the February trade returns due to be announced next Tuesday. Easing rates in the money market also helped, and the Government Broker again supplied the short tap, Exchequer 8¾ per cent. 1983, at 96½ before withdrawing at this level; the market quotation hardened ⅛ to 96⅝. Trade in the shorter dates was quite active and quotations closed at the day's best with rises extending to ¼. Long-dated issues, on the other hand, were tending to ease a shade in the inter-office trade after having been ¼ firmer earlier in the day. Long tap Exchequer 10½ per cent. 1995 held at 91⅞ and was not operative.

Corporation stocks displayed gains to ¼ and sometimes more, while Southern Rhodesian bonds closed a shade harder with the 2½ per cent. stock 1 up at 63.

The investment currency premium market was extremely active. Buyers predominated throughout and pushed the premium from an opening 86 per cent. to 92½ per cent. before a close of 92 per cent. and a rise on the day of 6½. Rumours about support for the U.S. dollar set the trend and led to institutional demand which could not be met by sellers. Yesterday's SE conversion factor was 0.7156 (0.7282).

Insurance wanted

Insurances enjoyed a reasonably lively trade and closed firmer throughout. Lloyds Brokers were particularly favoured with gains of 8 and 10 respectively in C. E. Heath, 283p, and Willis Faber, 297p: the latter's results are due on Monday week. Firm of late on the excellent annual figures, Sedgwick Forbes rose 8 more to 375p, partly helped by an investment recommendation. Composites performed similarly with General Accident closing 8 dearer at 224p and Guardian Royal Exchange 10 to the good at 230p. Still reflecting the group's success in the unit assurance field, Legal and General firmed 6 more to 163p.

A quietly firm trend prevailed in the major clearing Banks. Preliminary profits in line with market expectations left Midland up only 3 at 345p, while NatWest closed 5 dearer at 275p. Elsewhere, Kleinwort Benson, with preliminary figures due on Tuesday, gained 6 to 100p among Merchant Banks.

In firm Breweries, Allied, 86p, and Whitbread A, 85½p, put on 2 apiece. Elsewhere, Amalgamated Distilled Products moved up 2 to 36p following Press comment.

Buying ahead of forthcoming preliminary results, due on March 20, helped Ibstock Johnsen put on 10 to 138p. Richard Costain firmed 6 more to 258p and Marchwiel added 5 to 240p, while similar improvements were seen in AP Cement, 240p and Tunnel B, 237p. George Wimpey rose 3 to 69p.

ICI closed 6 higher at the day's best of 344p and 13 dearer on the week. Elsewhere in Chemicals Crystalate hardened 1½ to 22p and William Ransom put on 5 to 175p.

Stores good

A useful demand on hopes that any tax concessions which may be made in next month's Budget will lead to increased consumer spending helped the major Stores close at, or very near, the day's best. Still benefiting from the fourth-quarter spurt in profits, F. W. Woolworth firmed 2½ more to 72p, making a rise of 10 on the week. Gussies A stood out with a jump of 12 to 286p and Mothercare improved 4 to 164p, while rises of 3 were seen in Marks and Spencer, 151p, W. H. Smith A, 150p, and House of Fraser, 133p.

H. Wigfall met late support and closed 8 to the good at 218p compared with the offer, currently worth around 273p per share, from Comet Radiovision. Elsewhere in the Electrical sector, buyers showed interest in MK Electric, 6 higher at 156p, but disappointment with the interim results prompted a fall of 15 to 255p in George H. Scholes. Racal continued firmly and put on 3 more to 218p, while Ward and Goldstone improved a similar amount to 93p. Leaders to make headway included GEC, 4 higher at 257p, and EMI, a like amount dearer at 147p.

Apart from Hawker, which moved up 6 further to 190p, gains in the Engineering leaders were modest. The recent selective interest in secondary issues appeared to fade. Among the occasional bright spots, B. Elliot were noteworthy for a rise of 4 to 95p. Adwest improved a similar amount to 250p and rises of 3 were recorded in Averys, 145p, Brown and Tawse, 88p, and Manganese Bronze, 76p. Fresh demand was seen for Habit Precision, which put on 2 to 33p. In contrast, Lake and Elliott came back a penny to 51p following the half-yearly results. Among Shipbuilders, sporadic demand left Vosper 4 to the good at 162p.

Foods attracted a selective demand and closed firmly. Robertson were supported at 132p, up 6, while gains of 4 were seen in Associated Dairies, 224p, and Tate and Lyle, 198p. J. Bibby, a good market of late following the better-than-expected preliminary figures, rose 4 more to 207p for a rise on the week of 21. Bishop's Stores fell 7 to 155p and the A 13 to 115p on small offerings in a restricted market. In Supermarkets, Hillards moved up 3 to 183p and Wheatsheaf Distribution 5 to 130p.

Grand Metropolitan, 4 up at 100p, and Trust Houses Forte, 6 up at 159p, continued to reflect their chairmen's optimism and extended the gains on the week to 11 and 23 respectively.

Misc. leaders firm

Miscellaneous Industrial leaders again followed in the wake of a more confident and firm gilt-edged sector. Closing levels were around the best of the day with Beecham notable for a rise of 14 at 612p and Boots, 8 better at 207p. Pilkington Rose 8 to 445p and improvements of 5 and 6 respectively were seen in Bowater, 181p, and Metal Box, 306p. Reed International continued to rally at 120p, up 4. Elsewhere, secondary issues also provided some firm features; Northern Engineering added 8 to 93p in response to investment comment and ICL put on 4 to 224p for a similar reason. Speculative buying lifted RFD 5½ to 36p, after 37p, and persistent demand in a thin market prompted a rise of 17 to 265p in De La Rue. IC Gas retrieved 8 to 320p and Cawoods put on 6 to 116p, while British Vita improved 5 to 82p as did BTR to 233p; the last-named still on the results and proposed 10 per cent. scrip-issue. European Ferries were wanted at 110p, up 3½, and Brook Street Bureau revived with a similar gain to 58p. By way of contrast, Wilkinson Match relinquished 2 to 172p, after 168p, following the the Pension Fund shareholders' decision to back the company's plan to acquire the True Temper subsidiary of Allegheny Ludlum. Reflecting the first-half decline in earnings, Stocklake receded 4 to 75p.

W. J. Reynolds came to the fore in Motors and Distributors, rising 4½ to a 1977-78 peak of 37½p on the cash and shares offer, worth 24p, from Manchester Garages; the latter closed a penny off at 24p. Lex Service moved up 2 to 70½p on further consideration of the results, while Peak Investments responded to Press comment with a similar rise to 12½p. Alexanders edged forward 2 to 19p on the chairman' optimistic annual statement. Rolls-Royce hardened a penny to 98½p in front of Monday's preliminary figures, while other firm spots took in Dowty, 4 up at 166p, and T. C. Harrison, 10 to the good at 103p.

North Sea oil-orientated stocks among Newspapers were again led into higher ground by Thomson which closed 7 up at 185p and 28 dearer on the week. In Paper/Printings, DRG gained 4 to 124p, and renewed speculative interest lifted Mills and Allen 5 further to a 1977-78 high of 180p, a rise of 25 on the week.

Property shares encountered a useful demand, which continued into the late dealings. English stood out in the leaders with a gain of 3 to 40p, while Land Securities pushed ahead to close at the day's best of 217p, up 5. Among secondary issues, Hammerson "A" were again wanted and put on 9 more to 572p. Scottish Metropolitan moved up 6 to 109p and similar rises were recorded in Berkeley Hambro, 103p, and Haslemere, 254p. Glanfield Securities improved 5 to 268p in response to the interim results, while Peachey firmed 2½ more to 75p on recovery hopes now that last year's results are out of the way.

Oils busy

A good turnover developed in the Oil leaders, particularly in British Petroleum which moved ahead to close at the day's best with a rise of 14 at 740p; the annual results are due next Thursday. Shell shook off the previous day's disappointment which followed the preliminary figures and gradually edged higher to 505p for a rise of 5, while dollar premium influences left Royal Dutch 1⅞ higher at £42½. Still reflecting the good annual results, Ultramar were briskly traded up to 226p before settling at 224p for a gain of 16 on balance. North Sea stocks continued the recent recovery movement; Oil Exploration regained 12 further to 200p and Siebens (U.K.) moved up 14 to 244p, while Lasmo put on 7 to 155p with the "OPS" 5 higher at 218p.

James Finlay were again prominent in Overseas Traders, rising 10 to 280p for a rise on the week of 30. William Jacks edged forward 1½ to a 1977-78 peak of 24½p on the announcement that William Jacks (Malaya) Berhad had raised its shareholding to 50.2 per cent., while Ocean Wilsons, 78p, and Gill and Duffus, 202p, put on 4 apiece. Other firm spots included Sime Darby, 5 up at 109p, and Inchcape, 9 higher at 373p.

Investment Trusts are noted a firm appearance following a reasonable trade. Clydesdale B rose 4 to 61p, while gains of around 3 were seen in Caledonian Trust, 84p, and Capital and National, 107p. In Financials, Dawnay Day hardened 1½ to a 1977-78 peak of 37½p ahead of Monday's interim statement.

Although attracting a reasonable trade, Shippings closed without much alteration.

Textiles had the occasional small gain, while renewed speculative interest lifted Scott and Robertson 3½ to 44½p.

Tobaccos moved into higher ground, Imps rising 2 to 77½p and BAT Industries Deferred 6 to 260p.

Golds down again

After a week of intense activity, South African Golds registered substantial losses for the second consecutive day owing to end-account selling coupled with heavy profit-taking.

Both were due almost entirely to the further $2.50 decline in the bullion price to $186.125 per ounce—although it was still some $2.25 higher over the week—as rumours of international moves to bolster the U.S. dollar gathered strength.

The Gold Mines index dropped 5.8 more to 157.8, a two-day loss of 10.8 and a week's fall of 5.1.

Selling of Golds was widespread and evident from the outset of business. The marginal producers were again the worst affected with Marievale 5 lower at 73p bringing the loss on the week to 12. Other marginals to show heavy falls included Grootvlei, which gave up a penny to 124p for an overall week's reaction of 25, and South African Land which dropped 5 more to 41p for a loss of 15 over the five-day period.

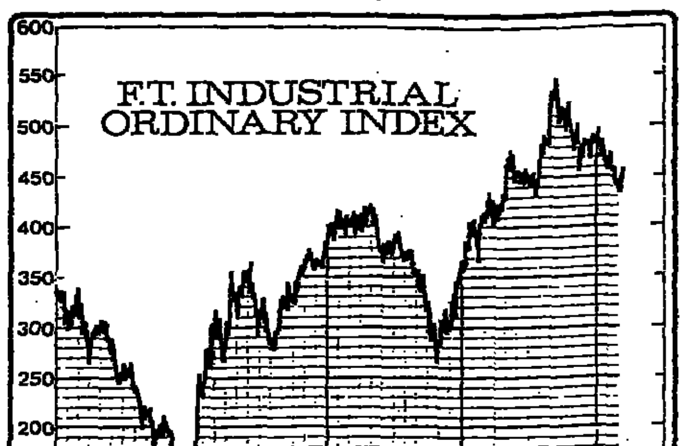
Heavyweights registered falls of up to ¾ as in Free State Geduld, £16¼, while reactions of a half-point were common to West Driefontein, £18¾, and Western Holdings, £18½.

Despite the sharp falls in Golds, South African Financials remained quietly steady reflecting the firmness of the investment currency premium. De Beers were again a feature, with the shares finally unchanged on balance at 338p after initially easing to 334p, as further U.S. buying left them 25 higher over the week following the record profits and higher dividend announced on Tuesday. Anglo American Investment Trust, a substantial holder of De Beers, improved a half-point to a 1977-78 high of £33 in front of the sharply increased profits and dividend.

Lydenburg were prominent among otherwise subdued Platinums as "new time" buying took the shares 6 up at 73p.

Australians also moved ahead reflecting the upturn in overnight domestic markets and the firmness of the premium. NIM Holdings put on 4 to 135p, Conzinc Riotinto the same to 158p and Pacific Copper 3 to 33p. Irish buying lifted Whim Creek 7 to 42p.

London-registered Financials showed Rio Tinto-Zinc 3 better at 175p as buying following the rights in the copper price found the market short of stock.



FINANCIAL TIMES STOCK INDICES

[illegible]

HIGHS AND LOWS

	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.85	60.45	127.4	49.18
Fixed Int.	81.27	60.49	150.4	50.53
Ind. Ord.	549.2	357.6	549.2	49.4
Gold Mines	174.5	95.1	442.3	43.5

S.E. ACTIVITY

—Daily		
Gilt-Edged	181.7	
Industries	182.0	
Speculative	58.4	
Totals	122.9	
5-day Average		
Gilt-Edged	187.5	
Industrials	151.7	
Speculative	48.4	
Totals	106.5	

£9.2m. health grant for Trent

THE TRENT Regional Health Authority has been allocated £9.2m. by the Department of Health for the development of health services in the region in the year from April. Last May the Trent region unsuccessfully sent a deputation to Mr. Ennals, Social Services Secretary, to ask for a higher rate for the current financial year. Trent has also provisionally allocated £ for its building programme

NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

NEW HIGHS (42)

BRITISH FUNDS (2)
Exchq. 8 pc 1981 Exchq. 8¼pc 1983
LOANS (1)
ICFC 10 pc Uns. Ln. 1986
FOREIGN BONDS (1)
German Yng. 4 pc
AMERICANS (2)
Amer. Medical Int. Revco
BEERS (1)
Young & Co.
BUILDINGS (2)
Warrington Whittingham (W.)
CHEMICALS (2)
Crystalate Ransom (Wm.)
STORES (5)
Bakers Stores Status Discount
Liberty Woolworth (F. W.)
Do. N V Ord.
ELECTRICALS (1)
Rediffusion
ENGINEERING (2)
Bolton Rood P. I. Habit Precision
INDUSTRIALS (4)
A G B Research Provincial Laundries
Bract Airton Sutcliffe Speakman
INSURANCE (1)
Heath (C. E.)
MOTORS (3)
Alexanders Reynolds (W.
Quick (H. & J.)
PAPERS (2)
Mills & Allen Intl. Smith & Sc
PROPERTY (3)
Damian Winston Esta
Green (R.)
TEXTILES (2)
Reed (Wm.) Scott & Rob
TRUSTS (4)
Crescent Japan Dawnay Day
Sizewell Kalkan
OVERSEAS TRADERS (1)
Jacks (Wm.)
RUBBERS (2)
Highlands Kulim
MINES (1)
Anglo-Am. Inv.

NEW LOWS (2)

INDUSTRIALS (1)
Anglo-Am. Asphalt
TRUSTS (1)
Lamea Secs.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down
British Funds	55	1	18	289	[illegible]
Corpns. Dom. and Foreign Bonds	29	—	37	189	[illegible]
Industrials	355	140	868	2,297	[illegible]
Financial and Prop.	238	35	230	992	[illegible]
Oils	18	1	15	68	[illegible]
Plantations	6	1	27	28	[illegible]
Mines	24	44	36	178	[illegible]
Recent Issues	7	—	18	41	[illegible]
Totals	432	222	1,288	3,868	1,3[illegible]

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1977-78 high	1977-78 low
BP	£1	85	740	−16	966	720
ICI	£1	66	344	−13	446	325
Shell Transport	25p	65	505	+15	635	454
Grand Met	50p	55	100	+11	109	62
BATs Defd	25p	53	260	+13	260	202
Beecham	25p	49	612	+29	693	372
EMI	50p	49	147	+3	254	141
Reed Intl	£1	49	120	+10	253	100
GEC	25p	47	257	+16	284	163
De Beers Defd	R0.05	44	338	+25	338	188
Marks & Spencer	25p	43	151	+13	173	96
GUS A	25p	42	286	+28	347	176
RTZ	25p	42	175	+11	247	164
GKN	£1	40	275	+9	369	260
Burmah Oil	£1	39	48	+3	83	41

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977-78 high	1977-78 low
BP	£1	20	740	+14	966	720
Shell Transport	25p	15	505	+5	635	454
Ultramar	25p	15	224	+16	266	116
Beecham	25p	14	612	+14	693	372
RTZ	25p	14	175	+3	247	164
Grand Met.	50p	12	100	+4	109	62
GUS A	25p	11	286	+12	347	176
ICI	£1	11	344	+6	446	325
Rank Org	25p	11	240	+4	276	128
BATs Defd.	25p	10	260	+6	260	202
Marks & Spencer	25p	10	151	+3	173	96
Tricentrol	25p	10	150	+8	204	100
Boots	25p	9	207	+8	244	115
De Beers Defd.	R0.05	9	338	—	338	188
GEC	25p	9	257	+4	284	163

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

BASE LENDING RATES

A B N Bank	6½%	■ Hill Samuel	§ 6½%
Allied Irish Banks Ltd.	6½%	C. Hoare & Co.	† 6½%
American Express Bk.	6½%	Julian S. Hodge	7½%
Amro Bank	6½%	Hongkong & Shanghai	6½%
A P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
Henry Ansbacher	6½%	Keyser Ullmann	6½%
Banco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
Bank of Credit & Cmce.	6½%	Lloyds Bank	6½%
Bank of Cyprus	6½%	London & European	8 %
Bank of N.S.W.	6½%	London Mercantile	6½%
Banque Belge Ltd.	6½%	Midland Bank	6½%
Banque du Rhone	7 %	■ Samuel Montagu	6½%
Barclays Bank	6½%	■ Morgan Grenfell	6½%
Barnett Christie Ltd.	8½%	National Westminster	6½%
Bremar Holdings Ltd.	7½%	Norwich General Trust	6½%
Brit. Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
■ Brown Shipley	6½%	Rossminster Accept'cs	6½%
Canada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
Capitol C & C Fin. Ltd.	9 %	Schlesinger Limited	6½%
Cayzer Ltd.	7 %	E. S. Schwab	8½%
Cedar Holdings	8 %	Security Trust Co. Ltd.	7½%
■ Charterhouse Japhet	6½%	Shenley Trust	9½%
Choulartons	6½%	Standard Chartered	6½%
C. E. Coates	7½%	Trade Dev. Bank	6½%
Consolidated Credits	6½%	Trustee Savings Bank	6½%
Co-operative Bank	* 6½%	Twentieth Century Bk.	7½%
Corinthian Securities	6½%	United Bank of Kuwait	6½%
Credit Lyonnais	6½%	Whiteaway Laidlaw	7 %
The Cyprus Popular Bk.	6½%	Williams & Glyn's	6½%
Duncan Lawrie	¶ 6½%	Yorkshire Bank	6½%
Eagil Trust	6½%		
English Transcont.	8 %		
First London Secs.	[illegible]		
First Nat. Fin. Corpn.	8½%		
First Nat. Secs. Ltd.	8 %		
■ Antony Gibbs	6½%		
Greyhound Guaranty	6½%		
Grindlays Bank	‡ 6½%		
■ Guinness Mahon	6½%		
■ Hambros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3½%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½%, and over £25,000 4%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

OPTIONS TRADED

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 7	Mar. 20	Jun. 8	Jun. 21
Mar. 21	Apr. 10	Jun. 22	July 5
Apr. 11	Apr. 24	July 6	July 19

For rate indications see end of Share Information Service

Stocks favoured for the call included Capper-Neill, Burmah Oil, English Property, Britannia Arrow, Stylo, Tricentrol, Ultramar, Lonrho, Ladbroke, Grand Metropolitan, Boots, Shell Transport, Charterhall, Status Discount, Capital and Counties Property, Premier Cons. Oil, Travis and Arnold, Adda International, Silverminés, Town and City Properties and Blackman and Conrad. Puts were taken out in Allied Retailers and Stallex International, while doubles were arranged in Racal Electronics, Trafalgar House, Midland Bank, Barclays Bank, Capital and Counties Properties, Wheatsheaf Distribution, Rio Tinto-Zinc, Pacific Copper and Status Discount.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

[illegible]

هكذا من الأصل

INSURANCE, PROPERTY, BONDS

New Zealand Ins. Co. (U.K.) Ltd.♥
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key Inv. Plan	140.6	144.9	.....	—
Small Co's Fd.	95.0	100.0	.....	—
Technology Fd.	95.0	100.0	.....	—
Extra Inc. Fd.	93.8	98.8	.....	—
American Fd.	92.9	97.7	.....	—
Far East Fd.	95.0	100.0	.....	
Gilt Edged Fd.	95.0	100.0	.....	—
Con. Deposit Fd.	95.1	100.1	.....	

ex Limited 01-351 3466. Three months Copper 666.5-672.5
ont Road, London, SW10 0HS.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Gartmore Fund Mngt. (Far East) Ltd.
1503 Hutchison Hse. 10 Harcourt Rd. H.Kong

HK & Pac. U Tst.	$US2.60	2.79	-0.11	3.10
Japan Fd	$US11.73	12.60	.....	—
N American Tst	$US9.25	10.16	.....	—
Intl Bond Fund	$US10.12	10.50	.....	—

Gartmore Investment Mngt. Ltd.
P O Box 32, Douglas, IoM 0624 23911

International Inc.	20.2	21.5	.....	12.0
Do Growth	53.7	57.1	.....	5.41

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East Mar. 8	$HK10.83	11.44	.....	—
Japan Fund	$US4.31	4.65	.....	—

Hambros (Guernsey) Ltd./
Hambro Fund Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey 0481-26521

C.I. Fund	128.2	136.5	.....	4.00
Intnl. Bond $US	103.58	105.78	.....	8.50
Int. Equity $US	9.84	10.14	.....	2.50
Int. Svgs. 'A' $US	1.01	1.04	.....	8.50
Int. Svgs. 'B' $US	0.99	1.02	.....	2.50

Prices on Mar. 8 Next dealing Mar. 15

Henderson Baring Fund Mgrs. Ltd.
P.O. Box N4723, Nassau, Bahamas

Japan Fd	15.62	16.29	.....	—

Prices on Mar. 8 Next dealing date Mar. 15

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., Peter Port, Guernsey, C.I.

Guernsey Tst.	144.2	154.2	+1.5	3.55

Hill Samuel Overseas Fund S.A.
37, Rue Notre-Dame, Luxembourg

	16.38	17.04	-0.03	—

International Pacific Inv. Mngt. Ltd.
PO Box R237, 56, Pitt St. Sydney, Aust.

Javelin Equity Tst.	$1.85	1.95	-0.02	—

J.E.T. Managers (Jersey) Ltd.
PO Box 194, Royal Tst. Hse., Jersey 0534 27441

Jersey Extrnl. Tst.	125.0	133.0	.....	—

As at Feb. 28 Next sub. day Mar. 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	$HK210.69		.....	3.40
Jardine J'pn. Fd.*	$HK283.04		.....	1.10
Jardine S.E.A.	$US11.89		.....	2.60
Jardine Flem.Int.†	$HK8.94		.....	—

NAV Feb. 28 *Equivalent $US61.40. Next sub. March 15.

Kemp-Gee Management Jersey Ltd.
1 Charing Cross, St. Helier, Jersey 0534 73741

Kemp-Gee Capital	79.8	82.3		
Kemp-Gee Income	62.4	64.4		8.50

TSB Unit Trust Managers (C.I.) Ltd.
Bagatelle Rd., St. Saviour, Jersey 0534 73494

Jersey Fund	41.1	43.3	.....	4.44
Guernsey Fund	41.1	43.3	.....	4.44

Prices on Mar. 8. Next sub. day Mar. 15.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao
NAV per share March 6 $US46.12

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao
NAV per share March 6 $US33.62

Tyndall Group
P.O. Box 1256 Hamilton 5, Bermuda. 2-2760

Overseas Mar. 8	$US1.09	1.04		6.00
(Accum. Units)	$US1.52	1.61		—
3-Way Int. Feb. 16	$US2.45	2.65		—

2 New St., St. Helier, Jersey 0534 37331/3

TOFSL Mar. 8	6.30	6.70		6.00
(Accum. Shares)	9.75	10.40		6.00
TASOF Mar. 8	76.8	79.5		—
(Accum. Shares)	76.8	79.5		—
Jersey Fd. Mar. 8	185.2	196.4		7.20
(Non-J. Acc. Uts.)	254.8	270.2		7.20
Gilt Fund Mar. 8	111.4	113.4		10.58
(Accum. Shares)	140.0	142.4		10.58

Victory House, Douglas, Isle of Man. 0624 25020

Managed Feb. 16	125.6	132.4	.....	—

Utd. Intnl. Mngmnt. (C.I.) Ltd.
14, Mulcaster Street, St. Helier, Jersey

U.I.B. Fund	$US100			8.25

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg

U.S. Tst. Inv. Fnd.	$US9.54		.....	0.95

Net asset March 9

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2 01-600 4555

Cnv. Bd. Fd. Mar. 9	$US9.36			—
Engy. Int. Mar. 9	$US15.22		-0.02	—
Gr. St. $ Fd. Feb. 28	$US6.51		.....	—
Mer. Eur. Fd. Mar. 8	$US9.89	10.28	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Feb. 23	$US12.37	12.69	.....	—
CMT Ltd. Feb. 23	£12.62	12.95	.....	—
Metals Tst. Feb. 16	£10.93	11.20	.....	—
TMT Feb. 9	$US9.26	9.52	.....	—
TMT Ltd. Feb. 9	9.13	9.37	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth. Fd.	$US12.83		-0.11	—

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ϕ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 455-460

INSURANCE BASE RATES

† Property Growth 7½%
† Vanbrugh Guaranteed 7.43%
† Address shown under Insurance and Property Bond Table

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
104¼	97¾	Treasury 10½pc '78‡‡	101½	......	10.34	5.98
100⅛	90½	Exch. 5pc '76-78‡‡	99½xd	......	5.03	6.29
107	95⅞	Treasury 11½pc '79‡‡	104⅜	−1/32	11.03	6.94
97¾	84⅞	Treasury 3pc '79‡‡	97xd	......	3.09	5.08
98¾	85⅛	Electric 4¼pc '74-79	97¾xd	......	4.35	5.88
106⅞	92	Treasury 10½pc '79‡‡	103⅞	+⅛	10.10	7.27
97⅜	84⅞	Electric 3½pc '76-79	96½	+⅛	3.63	5.71
107	87¾	Treasury 9pc 1980‡‡	102⅛	+1/16	8.82	7.85
105¾	88⅝	Treasury 9½pc '80‡‡	101⅞	+⅛	9.32	8.50
96	82⅞	Treasury 3½pc '77-80	94¾	......	3.69	6.02
98¼	83⅞	Funding 5¼pc '78-80‡‡	96⅛	+⅛	5.46	7.13
112⅞	96⅞	Exchequer 13pc 1980‡‡	108⅞	+1/32	11.96	9.27
108⅞	92⅞	Treasury 11½pc 1981‡‡	105⅞	+⅛	10.89	9.21
94¼	77⅞	Treasury 3½pc 1979-81	91⅛	......	3.84	6.89
104	86⅞	Treasury 9¾pc 1981‡‡	101⅝xd	+⅛	9.59	9.14
97⅞	95¼	Exch. 8¼pc 1981	97⅜	+⅛	8.48	9.21
103½	97½	Exch. 9½pc 1981	100½	+⅛	9.45	9.32
92⅛	87½	Exch. 3pc 1981	87¾	......	3.42	7.07
98¾	96⅛	Treas. Variable '81§§	96¾	......	6.70	7.50
113⅞	96¼	Exch. 12¾pc 1981‡‡	109⅞	+⅞	11.64	9.60
100⅝	82⅞	Treas. 8½pc '80-82‡‡	97⅞	+⅛	8.69	9.18
93⅛	71⅝	Treasury 3pc '82‡‡	86¼	......	3.48	7.07
119⅞	101⅝	Treasury 14pc '82‡‡	113⅞xd	+⅞	12.29	9.72
98½	95¼	Treas. Variable '82§§	96	......	6.75	7.59
98⅝	93⅝	Treasury 8¼pc '82	95¾	+⅛	8.62	9.47
102⅝	93⅝	Exch. 9¼pc 1982	98⅞xd	+⅛	9.36	9.57
96⅝	96½	Exch. 8¾pc 1983☉	96⅝	+⅛	9.06	9.63
87⅝	81	Exch 3pc '83	83¼	......	3.60	7.07
		Five to Fifteen Years				
114¼	95½	Treasury 12pc 1983‡‡	108⅝xd	+⅛	11.05	9.78
101⅞	95¾	Treasury 9¼pc '83	98⅝	+⅛	9.41	9.67
95½	72⅝	Funding 5½pc '82-84‡‡	87⅝	+⅛	6.34	8.41
100¾	77⅞	Treasury 8½pc '84-86‡‡	94⅞	+⅛	9.10	9.66
87⅞	66¾	Funding 6½pc '85-87‡‡	85½	+⅛	7.82	9.27
94	68½	Treasury 7¾pc '85-88‡‡	86⅞	+⅛	9.02	10.03
74⅞	49⅝	Transport 3pc '78-88	66	+⅛	4.59	7.99
76¼	53⅞	Treasury 5pc '86-89	69⅞xd	+⅛	7.11	9.22
121¼	90	Treasury 13pc 1990‡‡	112½	+⅛	11.77	11.36
94¾	67⅛	Treasury 8¼pc '87-90‡‡	86⅞	+⅛	9.72	10.46
112	88¾	Treasury 11¾pc 1991	103¾	+⅛	11.55	11.47
76½	53¾	Funding 5¾pc '87-91‡‡	69⅞xd	+⅛	8.23	9.92
118	86¾	Treasury 12¾pc '92‡‡	109⅝	+⅛	11.85	11.62
96⅜	88¼	Treasury 10pc 1992	91¼	+⅛	11.02	11.34
113	89½	Exch. 12¼pc '92	104¾	+⅛	11.75	11.64
		Over Fifteen Years				
116¼	84½	Treasury 12½pc '93‡‡	107¾	−⅛	11.82	11.65
73⅞	51⅝	Funding 6pc 1993‡‡	66⅞xd	+⅛	8.97	10.32
126½	96	Treasury 13¾pc 1993‡‡	117½	+⅛	12.13	11.85
129¼	99	Treasury 14½pc '94‡‡	119⅝	+⅛	12.22	11.87
114⅛	94⅝	Exch. 13½pc 1994	106⅛	−⅛	11.85	11.74
96	66¼	Treasury 9pc '94‡‡	87⅞	−⅛	10.65	11.04
110¾	97⅞	Treasury 12pc '95	104⅛	+⅛	11.78	11.64
51⅞	32⅞	Gas 3pc '90-95	49⅞	−⅛	6.15	8.87
95	88⅝	Exch. 10¼pc 1995☉	91⅞	......	11.32	11.51
120⅞	87	Treasury 12¾pc '95‡‡	111½	+⅛	11.87	11.74
92½	66¾	Treasury 9pc '92-96‡‡	83⅝xd	+⅛	10.76	11.12
133¾	101⅛	Treasury 15¼pc '96‡‡	129	+⅛	12.34	12.02
124	89¾	Exchequer 13¼pc '96‡‡	115	+⅛	11.97	11.88
50	31¾	Redemption 3pc 1986-96	47¼xd	+⅛	6.33	8.80
122½	87⅛	Treasury 13¼pc '97‡‡	112⅝	+⅛	11.96	11.80
98⅜	90¼	Exchequer 10½pc 1997	92⅞	+⅛	11.38	11.50
89⅝	64⅞	Treasury 8¾pc 1997‡‡	81⅛	+⅛	10.79	11.14
72¼	50¾	Treasury 6¾pc '95-98‡‡	69⅞	+⅛	10.02	10.51
136½	103⅝	Treas. 15½pc '98‡‡	125⅞xd	+⅛	12.24	11.99
97	65⅞	Treasury 9½pc 1999‡‡	87½	+⅛	11.00	11.19
96¼	90⅞	Treasury 10½pc 1999	93½	+⅛	11.42	11.52
44¼	27⅞	Funding 3½pc '99-04	40⅝	+⅛	8.73	9.98
82¼	57½	Treasury 8pc '02-06‡‡	74¾xd	+⅛	10.70	10.59
59	40½	Treasury 5½pc '08-12‡‡	53¼	+⅛	10.34	10.60
80¾	53¾	Treasury 7¾pc '12-15‡‡	73¾	+⅛	10.70	10.79
		Undated				
38⅞	26⅝	Consols 4pc	35¼	......	11.33	—
36½	25⅝	War Loan 3½pc‡‡	36⅝	......	9.82	—
39¾	26¾	Conv. 3½pc '61 Aft.	37¼xd	......	9.38	—
28⅝	20½	Treasury 3pc '66 Aft.	25⅞xd	......	11.51	—
24⅛	17¼	Consols 2½pc	22⅜xd	......	11.09	—
24	17⅛	Treasury 2½pc	21⅝xd	......	11.49	—

**INTERNATIONAL BANK

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
88¼	75½	5pc Stock '77-82	85¾	......	5.81	8.96

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

AMERICANS—Continued

[illegible]

S.E. List Premium 39¼% (based on $US1.9120 per £)

Conversion factor 0.7156 (0.7282)

CANADIANS

[illegible]

S.E. List Premium 39¼% (based on $2.1437 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

9½	9	Burma Mines 17½p	9	......	—	—	—
115	56	Colby Mines SC1	84	+9	—	—	—
600	220	Cons. Murch. 10c	220	......	Q30c	ϕ	8.1
475	245	Northgate C$1	270	+13	—	—	—
247	164	R.T.Z.	175	+5	t8.5	q3.1	7.4
70	26½	Sabina Inds C$1	31	......	—	—	—
£14¾	780	Tara Exptn. $1	780	......	—	—	—
55	29	Tehidy Minerals 10p	45	......	1.21	2.5	4.1
160	120	Yukon Cons. C$1	130	+7	Q7c	ϕ	2.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ƒ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

[illegible]

IRISH

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday March 11 1978

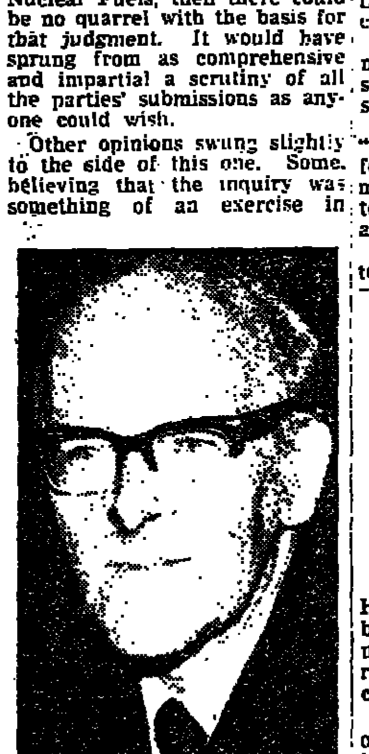
MAN OF THE WEEK

A name to go around the world

BY IAN BREACH

DURING THE course of the Windscale inquiry, one of the principal witnesses who came to *give evidence against the proposed* reprocessing plant was asked whether he felt that he and his fellow objectors were being given a fair hearing. He thought they were: if the Inspector, in his eventual report, came down on the side of British Nuclear Fuels, then there could be no quarrel with the basis for that judgment. It would have sprung from as comprehensive and impartial a scrutiny of all the parties' submissions as anyone could wish.

Other opinions swung slightly to the side of this one. Some, believing that the inquiry was something of an exercise in



Mr. Justice Parker
Not an "if" or a "but" to be seen in his report.

public relations, placed little trust in its conduct or its likely outcome. Then there were those, who, *perhaps impressed for the* first time in their lives by the sight and the sound of a High Court judge, *knowing* that theirs was an irrefutable case, assumed and declared that the presence of this man who listened to what they said about nuclear power was a guarantee that the truth would out.

In short, there was positive reaction to the personality who dominated the inquiry and whose name is now on that list of reports, some fraught and some forgotten, which are presented to Secretaries of State *on matters* held to be of vital public interest.

Mr. Justice Parker's judgement, unequivocal and controversial, has now been accepted by the Minister for whom it was prepared; it has been endorsed implicitly by Mr. Callaghan: and it has vindicated all the claims made by or on behalf of BNFL. The report itself is now lying on other desks around the world: *In a dozen countries* where the controversy over nuclear power is brewing, or has already brimmed over, the thoughts of Justice Parker are being digested.

Some objectors now declare that he had not heard what they were saying—or he would not have recommended that permission be granted for BNFL's plans at Windscale. Those who have observed his career, whatever their views might be on the potential peril of profits of going ahead with reprocessing spent nuclear fuels, suggest that this is highly unlikely; and it must be *noted* that his ability to listen, dissect, and recall was amply displayed.

Close legal associates say that the report accurately reflects the mind of a man who, as Roger Parker QC, was a top commercial *Silk and who had a formidable* reputation for separating what he saw as rational wheat from rhetorical chaff. In a variety of banking and contract cases, he distinguished himself as a forceful lawyer. "You would not have detected," another commercial barrister said yesterday, "that he had a great sense of fun."

Some note, possibly to dispel any image there might be of an uncharitable, unseen intellect at work, that Parker could have been a High Court judge years before he was appointed, early in 1977, but that—*after* an air crash bereaved them—he took on and brought up his brother's children, staying on at the bar to make unusually wide ends meet. He has, of course, chaired another inquiry—that into the Flixborough chemical plant explosion in 1974.

The Windscale report was produced and *delivered in* 11 weeks—roughly half the time it took to hear the evidence. To *assimilate* and *synthesise* that evidence in so short a period was itself a colossal undertaking. Objectors to the BNFL plan agree that this is so, and cite this as a reason why the report goes against the case they put for 100 days last year. The Inspector, they say, did not have time to examine in depth the broader base on which their objections were made. If that were so, then we are back to a *beginning*, in which opposition to official nuclear policy goes on as though the report had never been written.

Hattersley criticises policy on mergers

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MR. ROY HATTERSLEY, Secretary of Prices and Consumer Protection, stressed yesterday *that he hoped the* current interdepartmental review of competition policy would result in a much tougher attitude towards mergers.

He indicated that he would favour reversing the onus of proof in the present legislation to make parties to a proposed merger prove that there was a *positive public benefit to be* gained from the deal.

He also suggested that the review, announced last November, might result in new machinery to deal with local monopolies and to protect small traders from unreasonable trading terms imposed by larger companies.

Tougher powers would also be needed to allow intervention in specific companies' business, he said.

Mr. Hattersley wanted a "stronger policy resulting in fewer but better-thought-out mergers capable of contributing towards improved productivity and increased efficiency."

Insufficient regard to the need to foster competition in the past, *he said, had contributed to* Britain's economic condition.

Quoting figures to show the greater concentration in British industry compared with that of its industrial competitors, Mr. Hattersley said that the country simply could not afford to observe a continuing trend which damaged efficiency.

Mr. Hattersley, *whose department* plays a major role in competition policy, said that the existing law controlling takeovers made no assumption about the public interest.

He described the Fair Trading Act as "neutral to the point of agnosticism about the virtues or vices of monopolies and mergers."

Only when a merger or monopoly had been found to be *demonstrably against* the public interest did the Act provide for remedial or preventive action.

"We must at least consider the proposition that, in all our competition legislation, mergers and monopolies, as well as restrictive practices, are assumed to be against the public interest until their *proponents prove* otherwise," he said.

That *proposition* was "wholly logical" within a society that believed in the advantages that economic competition could bring.

It was also consistent with much of the evidence on the performance of large and merged companies within this country.

Mr. Hattersley also said that the existence of market power inevitably carried with it the potential for abuse, however seriously many monopolists took their responsibilities.

Larger firms could exploit their strong market position by threatening to withhold supplies and could thus impose unreasonable *conditions on customers*

He said he was "disturbed" by the number of small firms which *found* themselves subject to unreasonable trading practices. The Monopolies Commission could investigate only a limited number of monopolies and was rarely able to look at local monopolies.

One outcome of the competition policy review might be the possibility of independent investi*gation of such practices*, he said.

Building societies to cut lending

By Michael Cassell, Building Correspondent

BUILDING societies have bowed to Government pressure to cut *mortgage lending.*

From April, the societies are to cut £70m. a month—the equivalent of 1,400 home loans a week—from their lending programme.

The societies, which only a few weeks ago had agreed with the Government on a monthly lending programme of £720m. for at *least the first half of this year*, have decided to implement the reductions, though most of them disagree with the move.

Their decision to agree to the Government's request — made because of Ministerial concern about the prospect of rising house prices—was attacked by MPs and house builders.

Mr. Hugh Rossi, Opposition spokesman on housing, said he was disappointed that the societies had given in to the Government's demands. Mr. Robert McGrindle, Tory MP for Brentwood and Ongar, said they were misguided in agreeing to the reductions.

The House-Builders Federation said that the societies had made the wrong decision, although it appreciated the pressures to *which they had been subjected.* It believed the move was unworkable and would create further problems.

Mr. Peter Shore, Environment Secretary, said yesterday that he was determined to ensure that house prices did not rise to a level which would stop many people from becoming home owners.

The societies, he claimed, agreed that some moderation in *lending was needed to ease the* pressure on prices.

Few societies, however, believe that a widespread house price explosion is on the way or that rationing mortgage finance would be the best solution.

Their decision to cut home loans has been made primarily because of concern over greater Government intervention in their affairs in future and because they would not want to be held responsible if house prices did rise dramatically.

Mr. Ralph Stow, chairman of the *Building Societies Association*, said that the societies were not convinced that prices were "*taking off*," *though there was* evidence of this in some areas.

Mr. Norman Griggs, secretary-general of the association, said that the decision to reduce mortgage finance availability could bring properties on to the market which had been held back because vendors expected higher prices later in the year.

The reduction will run until the end of June, when a further decision on lending levels will be made. It seems unlikely that the Government will agree to any increase later and the societies *believe that further reductions* could be made.

Meanwhile, the societies say *they plan to concentrate on helping* first-time buyers and purchasers of new homes. Many of the major societies plan to limit the percentage advance against the total purchase price of a property to 70 per cent.

Recovery hopes pinned on EEC

By Our Economics Correspondent

HOPES of concerted action to boost the economic recovery are now concentrated on the EEC rather than a wider international context.

This is the view in Whitehall on the eve of to-morrow's visit by Mr. James Callaghan to Chancellor Helmut Schmidt of West Germany. Their talks in Bonn could have an important bearing on the chances of progress at a series of EEC meetings in the next month.

There is no great optimism in London about early agreement on joint action to stimulate demand, though there is a belief *that the need for such measures* is being increasingly accepted in the Community.

This was reflected at the last meeting of EEC Finance Ministers, when they commissioned a study of possible action. The study will be discussed at their next meeting, in Brussels on Monday week. There are hopes of establishing a wide measure of common ground before the Heads of EEC Government summit in Copenhagen next month.

The key is West Germany, which has so far said only that it will take another look at economic prospects in the late spring.

There is considerable concern — known to be shared by Mr. Callaghan — about giving any impression of applying pressure on the Germans in view of the danger of causing a reaction, as has been seen in the recent *strained relations between the* U.S. and West Germany.

There were hopes in London last night that this week-end's U.S.-West German talks might bring some thaw in relations and moves towards a stabilisation of currency markets. But there seems to be little hope of achieving any broader international agreement outside the EEC on moves to stimulate the world economy.

It is not yet clear what form an EEC initiative might take, though there is likely to be much less emphasis on specific targets—both in view of the sensitivity about German views and the notable failure to fulfil growth commitments last year.

It is more likely that the stress will be on the main EEC countries taking action at about the same time, rather on more detailed growth projections.

Continued from Page 1

Refineries

sider using its powers under the Rome Treaty to prohibit national and EEC aids being provided for the construction of new refinery capacity.

A third main element in the programme will be the establishment of a system to monitor oil imports entering the EEC. The Commission plants to get this information mainly from the companies.

Ray Dafter writes: Officials in Whitehall and some of the oil compaines were angered by the Commission's reported move. The Department of Energy has told the Commission that the issues raised are so important—*particularly for the U.K. oil* refining industry—that no action should be taken until the matter has been further discussed by EEC Energy Ministers.

The Government is therefore likel *yto make a formal protest* over what it regards as a premature move. It was being said in Whitehall that the Government would very much regret a decision by the Commission to take unilateral action.

It is possible that the EEC Commission is mainly concerned to collect information in readiness for further discussions with companies, trade unions and Energy Ministers.

Spending cuts included false economies—MPs

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT was criticised yesterday by an all-Party Commons committee for failing to provide an adequate assessment of the medium-term eco*nomic prospects* in the recent spending White Paper and for "false economies" in some of *its cuts in capital investment.*

The report on the January White Paper by the Expenditure *Committee comes* less than a week before the full Commons debate on the Government's spending plans next Thursday.

It was prepared by the general sub-committee, chaired by Mr. Michael English, Labour MP for Nottingham West, following hearings with the Treasury a month ago.

The committee criticises a nmber of features of the Government's plans and their presentation. In particular it points out that the considerable underspending and shortfall below planned levels in the last financial year has been greater in total than the Government spending cuts *of July* and December 1976 which were so widely debated when they were proposed.

Mr. English said yesterday that expenditure was just as much out of control when it was underspending as opposed to overspending.

The report also discusses the difficulty of establishing the nature and extent of the proposed change in expenditure between this *financial year and* the next and suggests that on a correct comparison the rise would be about 4 per cent.

The committee argued that a slightly expanded and more clearly written White Paper could provide a much better basis fo r debate on the future of the economy provided that it contains a full medium-term assessment and a range of forecasts, including varying earnings *assumptions.*

Mr. Nicholas Ridley, the senior Tory member of the sub*committee, yesterday said that* the White Paper was at present a highly political document, showing the preferences of what Ministers would like to happen rather than, as it should be, a best guess of what will happen on the basis of available evidence.

The report describes as neither sensible nor just the Government's failure to redress the damage to the construction industry from the "disproportionate" cuts in capital spending plans announced by 1976, which are only partially restored in the *latest White Paper.*

The Committee argues that some of the recent cuts seem to *be "false economies" and says it* fails to understand how the taxpayer gains in the long run from *the fact* that nearly 60 per cent. of Government offices are leased rather than owned. "Edward the Confessor's investment in land at Westminster has probably paid off rather better."

Details, Page 3

Glasgow loan to be repaid

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROGRAMME of early repayment of some of Britain's large official borrowings from overseas has been increased to about $2bn. by the latest move, disclosed yesterday, involving a $200m. loan maturing in 1984.

This is part of the Government's policy of spreading the burden of debt repayment away from the peak years of the early 1980s, both by repaying now and by seeking new finance maturing after the mid-1980s.

A series of early repayments has been announced in the last few months, including $1bn. to the International Monetary Fund, as the U.K. authorities *have clearly wanted to take* advantage of the recent current account surplus and high level of reserves.

The latest moves involve a Glasgow Corporation loan arranged in 1974 on a floating *interest rate basis. This will* be repaid next month and is likely to be refinanced domestically via the Public Works Loans Board.

After taking account of loans maturing this year, it is *likely* that debt repayments in 1978 will be at least $3bn., which is slightly more than last *October's Treasury estimate of* the current account surplus for 1978.

Total repayments so far announced of $2bn. compare with $20bn. *of* debt due between now and 1984. Loans *of between $2.8bn. and $4.94bn.* are still due each year between 1980 and 1982.

In order to reduce the amount of refinancing and repayment in two or three years' time further moves are likely *in the next 12 months or so.* This explains why the authorities believe that the aim should be to secure a small current account surplus to provide the right financial climate for refinancing.

A total of over $500m. has been raised in new finance, mainly from EEC organisa*tions, since last October. There* will be close market interest to see whether the Government itself or major public sector bodies (guaranteed by the Treasury) consider fund-raising in Eurocurrency or other *markets* within the next few months.

Japan ready to buy airbus

BY CHARLES SMITH

TOKYO, March 10.

JAPAN WILL *decide to-morrow* on measures which should facilitates the purchase of the A300 European airbus by private airlines, a Government source said this afternoon.

However, the Government will not be making a decision to buy since this is a matter for the airlines, particularly for TOA Domestic Airways, the company which has expressed interest.

The decision expected to-morrow—at a meeting of the Cabinet council dealing with overseas economic relations — *seems likely to be concerned* with financing and with the allocation of routes inside Japan on which TOA might use the airbus. The council also will discuss a plan drafted by the Ministry of International Trade and Industry for Japan to buy airbuses and lease them to airlines in South-East Asia, either *through a specially-established* public leasing corporation or through the private sector.

The *numbers involved*—*if and* when Japan does buy the airbus —could reach ten or more, worth about $400m. including spares, depending on whether purchases are made by TOA alone or by a leasing company as well.

The speed with which Japan seems to be acting on the airbus question reflects: 1—Anxiety about the renewed upward pressures of th eyen, which it is seeking to counter by, among other *things, boosting imports as a* matter of urgency; and 2—expectation that bilateral trade negotiations with *the* EEC, *which* enter their decisive phase next week, may prove extremely difficult.

Japan has received a draft text of a joint communique prepared by the EEC for issue at the *end of the talks* which contains at least one passage which is totally unacceptable. This *stipulates that Japan would* permit itself to start reversing the trend towards an ever-increasing surplus of trade with the Community by the end of the first quarter of the coming Japanese fiscal year — around mid-summer.

Negotiations on this point with Sir Roy Denman, the Commission's director-general for external relations, who arrives early next week, are likely to prove extremely sticky.

TOA says that "administrative guidance" from the Government *to buy the aircraft would* be unacceptable. However, observers believe that the Transport Ministry may be preparing to guide the airline into an airbus purchase in return for favourable route allocations.

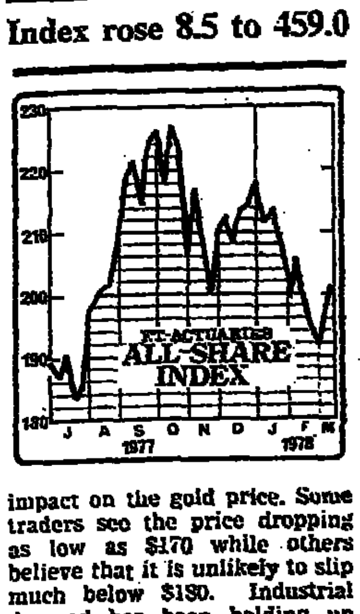
THE LEX COLUMN

Equities jump, but gilts hesitate

The long-awaited rally materialised in earnest this week, both in the equity and gilt-edged markets. The FT 30-Share Index has put on 22.8 points over the five days, including an extra 3½ points between 3 p.m. and the close last night on a burst of late *buying for the three-week* Easter account which starts on Monday. Meanwhile the undertone *in gilts remained* good; and the market again nibbled at the short tap Exchequer 8¾ per cent. 1983, but declined to take a big bite, and buyers again left the long tap alone.

Given the build-up of institutional cash and the improvement in economic news this week the performance of gilts has been a little disappointing. What may be causing the hesitation here is the performance of sterling, only just above *$1.90 at the close, with the* trade-weighted index at 64.8, the lowest since late December. The worry is that the many *U.S.* investors who have been dabbling in the gilt-edged market will soon conclude that the sterling-dollar hedge game is over, and will head for the exit.

Index rose 8.5 to 459.0



Golden uncertainty

For the first time since the start of the year the gold price has faltered in its upward trend. On Wednesday it touched $190.875 but by last night it had fallen back to $186¼. Likewise, the FT Gold Mines Index, which touched 168.6 earlier this week, is now back at 157.8 and the outlook for the yellow metal is more uncertain than it has been for some time.

Since last summer the gold price, in dollar terms at least, has performed strongly. Uncertainties in the foreign exchange markets have played an important part here, with nervous investors switching into the metal to hedge their currency risks. More recently, the threat of a left wing victory in the French general elections (the first round takes place tomorrow) has encouraged addi*tional speculative demand.*

What troubles investors now is that a left wing defeat in France and a possible sharp recovery in the dollar's fortunes following this week-end's behind-the-scenes discussions could knock the props from underneath the gold price.

Opinions vary as to the likely impact on the gold price. Some traders see the price dropping as low as $170 while others believe that it is unlikely to slip much below $180. Industrial demand has been holding up fairly well at these higher prices and dealers note that, except for the last couple of days, any rally by the dollar has not sent the gold price lower.

On *balance the outlook* remains fairly bullish, and it is generally expected that gold will *break* through the $200 level sometime in the next few months. However, it is clear that whereas the price used to be set here in Europe the behaviour of the U.S. futures market is now becoming increasingly important.

Midland Bank

Midland Bank at last published yesterday details of the results which were forecast at the time of the rights issue six weeks ago, pre-tax profits emerging just £2.8m. ahead of the estimated £190m. The improvement on 1976 is 16 per cent., but the gain has all come from activities *outside the parent clearing bank*, which has only maintained its contribution. And the group's second half *profits of £90.4m.* were roughly a tenth below the figures produced both in the first half and in the second six months of 1976.

So Midland closes the Big Four results season which this time has thrown up fewer surprises than usual. The clearers' performance over the year has been solid — pre-tax profits were on *average* 22 per cent. higher — but immediate prospects for 1978 are unexciting, with loan demand remaining sluggish while interest rates are likely to stay at relati[...] levels for some time. A[...] the individual banks Mi[...] carries the lowest market [...] with a yield of 6.5 per [...] covered four times; [...] offers the same yield, but [...] is effectively less, if allo[...] is made for dilution thro[...] rights issue. Barclays and [...] *yield only 5.3 per cent.* but [...] higher cover of more th[...] times which could be r[...] if dividend controls are r[...]

Mergers

Merger fashion has mov[...] the opposite pole. Aroun[...] years ago the Governmen[...] actively promoting large [...] concentrations. But yest[...] *Mr. Roy Hattersley*, the [...] Secretary, was suggesting [...] all mergers should be as[...] to be against the public in[...] until their proponents can [...] otherwise. This is a big [...] *from the present position* [...] the burden is on the Mono[...] Commission to prove t[...] *merger is against the* [...] interest. Even if the bala[...] not moved quite as much a[...] Mr. Hattersley is in no [...] that the outcome of the p[...] review of monopolies [...] mergers will be "a more c[...] assessment of pro[...] mergers."

The Prices Secretary ta[...] "being anxious" to find [...] means of intervention [...] vent abuses and he rais[...] prospect of independent in[...] *gations—more work for th[...]* accounting firms? The [...] tion presumably is that [...] will be *more references* t[...] Commission and fewer me[...] than at present.

Indeed mergers in gener[...] not nearly so popular as [...] used to be. Whereas in 19[...] total of 1,210 industrial [...] panies were acquired for a [...] of £2.5bn., in 1977 the nu[...] of acquisitions had dropp[...] 482 with an expenditur[...] £0.8bn. Another very notic[...] feature is that there are [...] very few really large me[...] The last was probably Ta[...] Lyle's take-over of Manbre [...] Garton. Bearing in mind th[...] cumstances under which [...] obvious case for a referen[...] the Commission was given [...] ance, it is, to say the least [...] that Mr. Hattersley should [...] terday have chosen sugar a[...] of his examples to illus[...] what he claimed was the e[...] sive degree of *concentratio[...]* British industry.

Weather

U.K. TO-DAY

MAINLY sunny, early rain N.W., Scotland.

London, S.E., E., Cent. S and N. England, Anglia, E. Midlands, Channel Is.
Sunny, chance of rain at night. Max. 16C (61F).

W. Midlands, N.E. England, Borders
Sunny, rain later. Max. 15C (59F).

S.W., N.W. England, Wales, Lakes, I. of Man
Bright, rain in places and hill fog. Max. 12-14C (54-57F).

Scotland, N. Ireland
Rain, hill fog. Max. 10C (50F).

Outlook: Showers, sunny patches.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm	C	9	48	Luxemb'g	C	9	48
Athens	F	15	59	Madrid	S	18	64
Bahrain	C	20	68	Manchestr	C	11	52
Barcelona	S	18	64	Melbourne	H	25	77
Beirut	C	19	66	Mexico C.	S	21	69
Belfast	C	11	52	Milan	S	16	61
Belgrade	R	3	37	Montreal	S	5	41
Berlin	S	10	50	Moscow	Sn	−1	30
Birmnghm	F	14	57	Munich	S	10	50
Bristol	C	12	54	Newcastle	C	11	52
Brussels	C	11	52	N. York	C	4	39
Budapest	F	10	50	Oslo	C	−2	28
B. Aires	S	24	75	Paris	C	13	55
Cairo	C	28	82	Perth	Sh	21	70
Cardiff	C	10	50	Prague	C	7	45
Chicago	S	3	37	Reykjavik	S	6	43
Cologne	Dr	7	45	Rio de J'o	C	30	86
Copnhagen	C	2	36	Rome	S	16	61
Dublin	F	13	55	Singapore	C	27	80
Edinbgh	C	12	54	Stockholm	S	4	39
Frankfurt	C	7	45	Strasbourg	C	9	48
Geneva	F	10	50	Sydney	C	26	79
Glasgow	C	10	50	Tel Aviv	C	23	73
Helsinki	F	4	39	Tokyo	R	8	46
H. Kong	C	18	64	Toronto	S	−2	28
Jo'burg	C	21	70	Vienna	R	7	45
Lisbon	S	19	66	Warsaw	C	3	37
London	F	13	55	Zurich	C	7	45

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	16	61	Istanbul	C	9	48
Algiers	S	21	70	Jersey	S	13	55
Biarritz	S	18	64	Las Plms	S	19	66
Blackpool	C	8	46	Locarno	S	13	55
Bordeaux	S	17	63	Majorca	S	16	61
Boulogne	Fg	8	46	Malaga	S	20	68
Casablnca	S	20	68	Malta	F	14	57
Cape Tn.	S	20	71	Nairobi	R	21	70
Corfu	F	15	59	Naples	F	13	55
Dubrovnik	S	12	54	Nice	S	18	64
Faro	S	20	68	Rhodes	F	17	63
Florence	S	14	57	Salzburg	S	11	52
Funchal	F	18	64	Tangier	S	21	70
Gibraltar	S	17	63	Tenerife	S	20	68
Guernsey	S	12	54	Tunis	S	18	64
Innsbruck	F	10	50	Valencia	S	20	68
Inverness	F	13	55	Venice	S	12	54
I. of Man	C	9	46				

Fg—Fog. C—Cloudy. F—Fair. R—Rain. Dr—Drizzle. Sn—Snow. Sh—Showers.

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هكذا من الأصل